



City of Pensacola

City Council

Agenda

City of Pensacola
222 W. Main Street
Pensacola, FL 32502

May 19, 2025, 3:30 PM

Hagler-Mason Conference Room, 2nd Floor

The meeting can be watched via live stream at cityofpensacola.com/video.

ROLL CALL

SELECTION OF CHAIR

DETERMINATION OF PUBLIC INPUT

DISCUSSION

1. 25-644 DISCUSSION -- PURCHASING AND PROCUREMENT PROPOSED
CHANGES TO ORDINANCES AND POLICIES

Recommendation: That City Council conduct a discussion regarding proposed changes to the Purchasing and Procurement Ordinances and Policies

Sponsors: Council President Jared Moore, Mayor D.C. Reeves

Attachments: **PRESENTATION**

ADJOURNMENT

If any person decides to appeal any decision made with respect to any matter considered at such meeting, he will need a record of the proceedings, and that for such purpose he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

The City of Pensacola adheres to the Americans with Disabilities Act and will make reasonable accommodations for access to City services, programs and activities. Please call 850-435-1606 (or TDD 850-435-1666) for further information. Request must be made at least 48 hours in advance of the event in order to allow the City time to provide the requested services.



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 25-644

City Council

5/19/2025

DISCUSSION

SPONSOR: Council President Jared Moore, Mayor D.C. Reeves

SUBJECT:

DISCUSSION -- PURCHASING AND PROCUREMENT PROPOSED CHANGES TO ORDINANCES AND POLICIES

SUMMARY:

City staff has identified impediments that currently exist within the process, related to Purchasing and Procurement Ordinances and Policies. These impediments adversely affect the efficiency and timeliness in the completion of certain projects and tasks.

This discussion provides an opportunity for City Council to hear from staff regarding these impediments as well as having the opportunity to discuss potential amendments to ordinances and policies meant to positively impact the impediments and process.

PRIOR ACTION:

None for purposes of this discussion.

FUNDING:

N/A

FINANCIAL IMPACT:

None

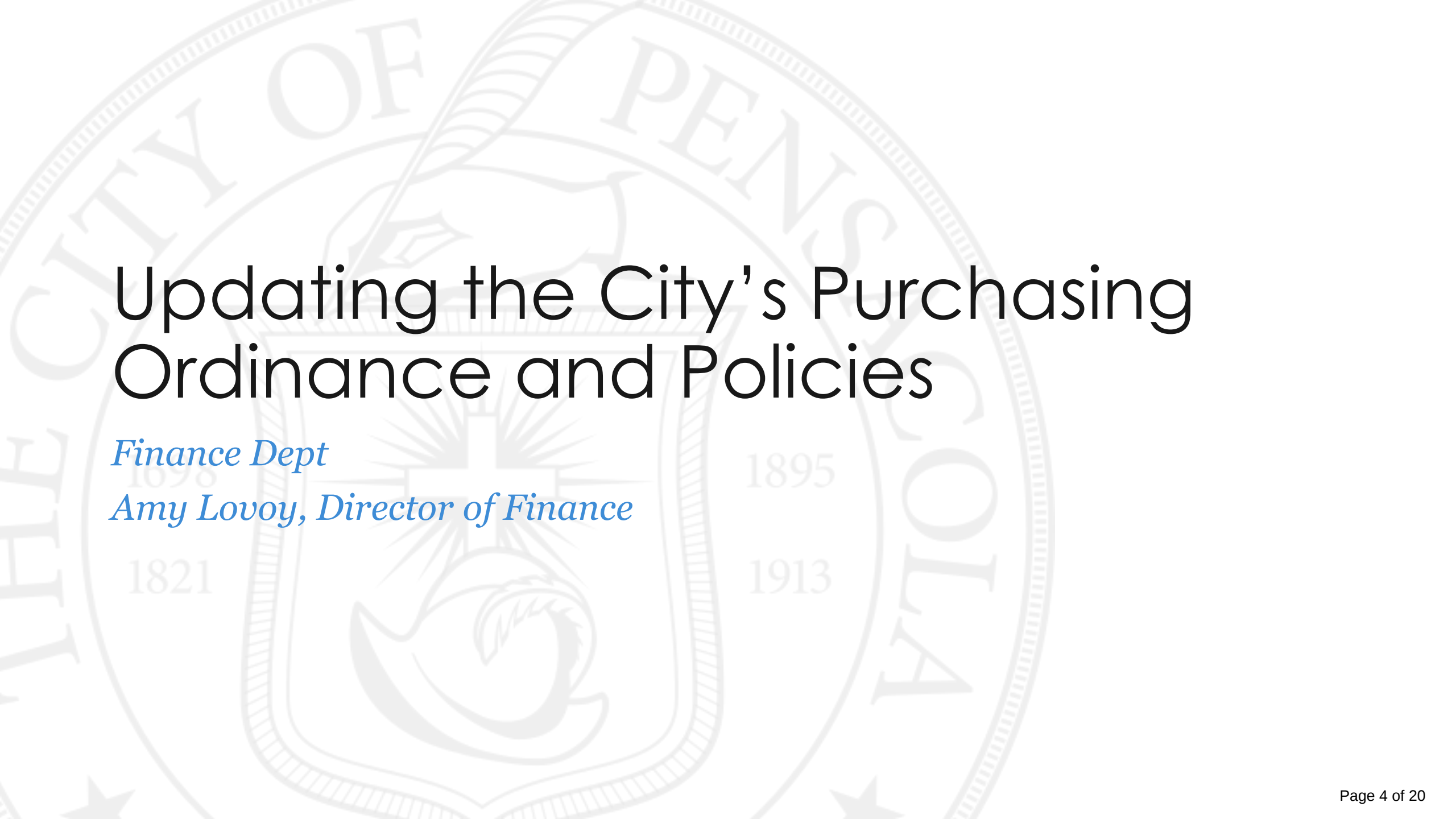
STAFF CONTACT:

Don Kraher, Council Executive
Yvette McLellan, Special Assistant to Council Executive
Amy Lovoy, Finance Director

ATTACHMENTS:

1. PRESENTATION

PRESENTATION: No



Updating the City's Purchasing Ordinance and Policies

Finance Dept

Amy Lovoy, Director of Finance

Purchasing Ordinance Basics

- The City's Purchasing Ordinance provides for two distinct tracks:
 1. Commodities and Services
 2. Public Works and Improvements



Current Ordinance – Authority to purchase Commodities and Services



- Sec 3-3-1 (b) - Purchases of **commodities and services**. The purchase of commodities and services that have been specifically **adopted in the annual budget** within a program of a department, division, office or similar or appropriated by council **may be contracted for or purchased by the mayor without further action of council.**

Current Ordinance – Commodities and Services

- Sec 3-3-1 (d) - The **mayor has the authority** to award all contracts for the purchase of **commodities and services** with a **value not in excess of \$25,000.00....** Whenever the purchase of commodities or services with an estimated cost **in excess of \$25,000.00...**is contemplated by the city, **the council shall reserve the option** to utilize the invitation to bid procedure, request for proposals, informal quotes or to authorize the mayor to negotiate, depending upon which alternative is deemed by the council to be in the best interest of the city.
- Sec 3-3-1 (g) - The mayor is hereby authorized to enter into any contract for services or make purchases of commodities that do not exceed \$25,000.00

Current Ordinance – Public Works and Improvements



- **Sec 3-3-1(c) - Public works and improvements.** Any public work or improvement may be executed either by contract, or by direct labor, as may be determined by the council; **if the cost does not exceed \$25,000.00, the mayor may make the determination.** Before authorizing the direct execution of any work or improvement costing more than \$25,000.00 detailed plans and estimates shall be submitted to the council by the mayor unless the council does not require same. **Contracts for public work in excess of \$25,000.00, shall be signed by the mayor after approval thereof by the city council.**



Conflicting language and outdated fiscal limitations in both the Ordinance and Policy



Lack of clarity for key terms such as “services” and “public works and improvements” results in conflicting guidance



Purchasing policies that require three quotes for every purchase over \$2,500 (but less than \$25,000) results in extreme over-burdening of procurement system



Overwhelmed PO system significantly reduces efficiency, agility, and time to execution

The Issues

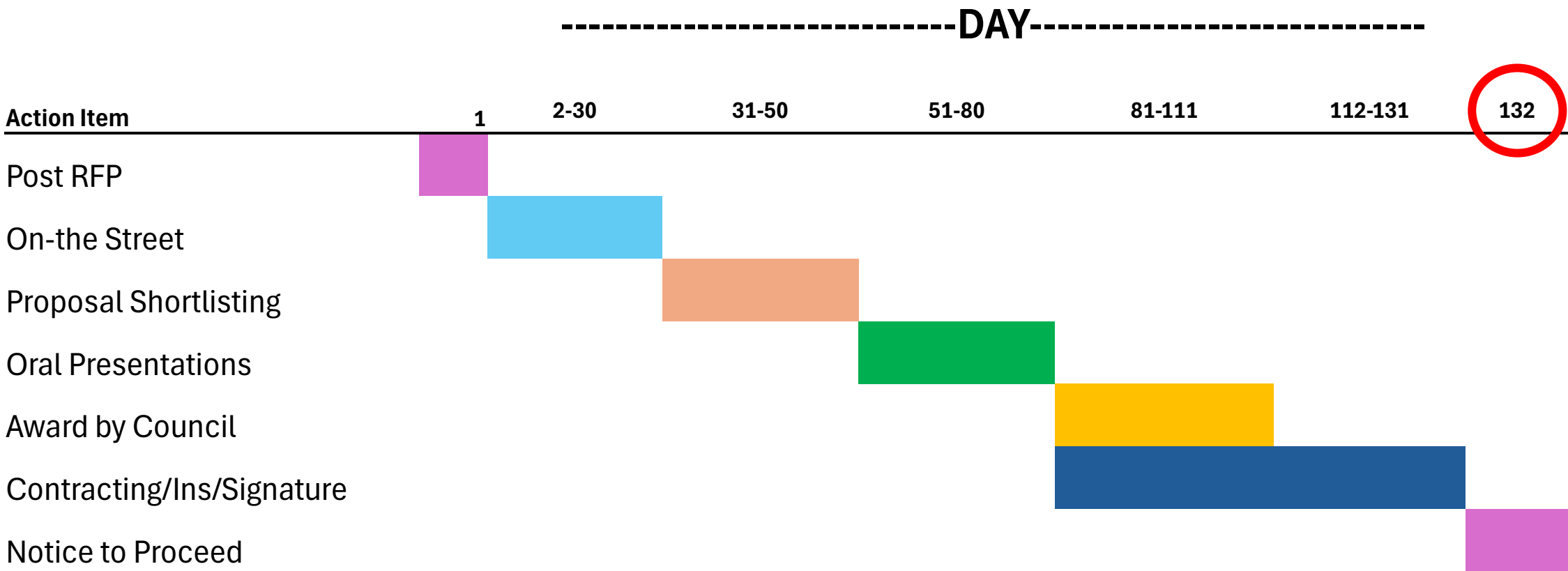
Definitions – Commodities and Services

There are no specific definitions for “services” or “public works and improvements”.

Section 3-3-1 defines a “commodity” as follows:
Commodity means any of the various supplies, materials, equipment, goods, merchandise and all other personal property purchased, leased or otherwise contracted for by the city.

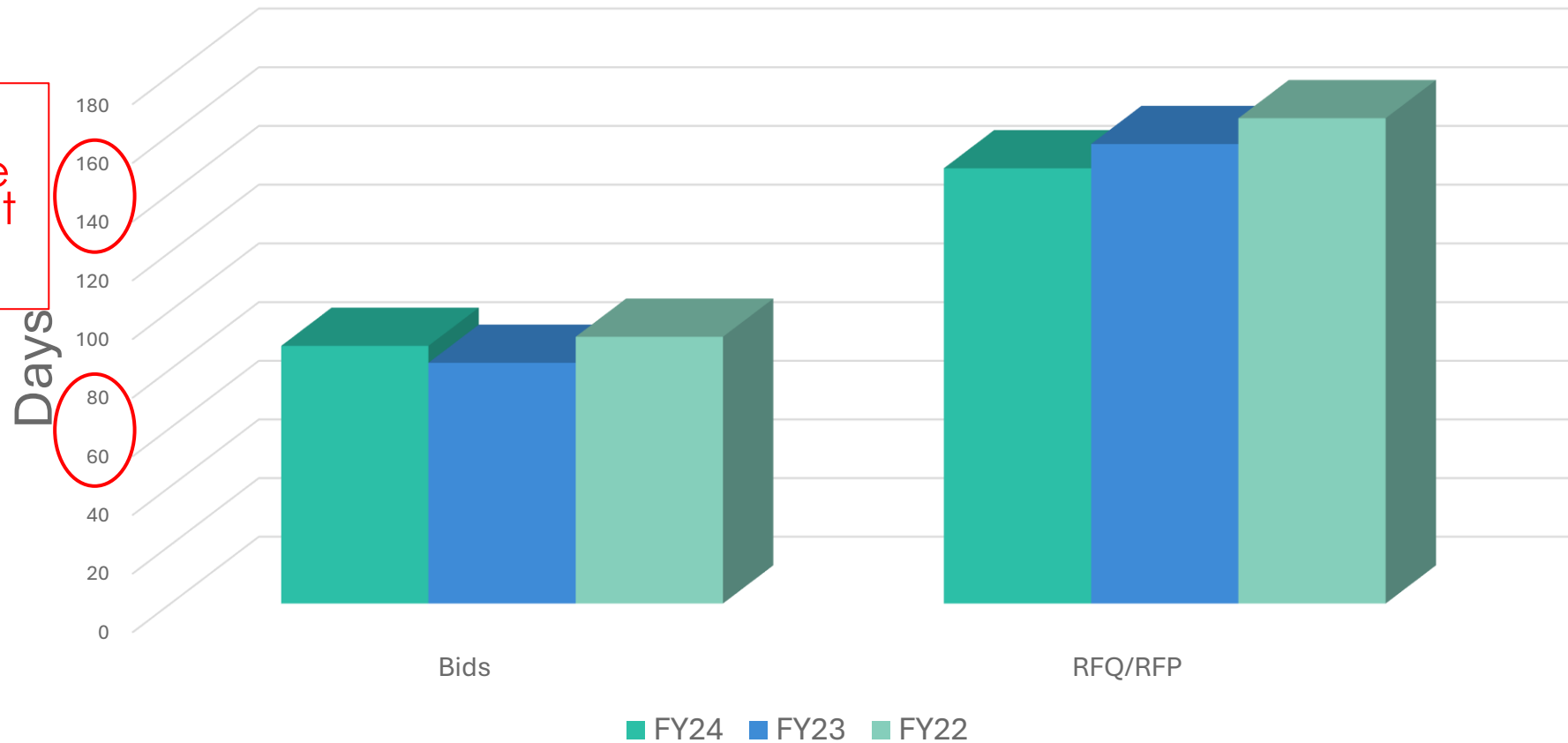
Best Case Timeline for an RFP

(i.e. no unexpected delays and if this was the ONLY RFP in que)



Actual Averages for Bids and RFP's

Mirrors best-case timeline under current system



PO's by Volume

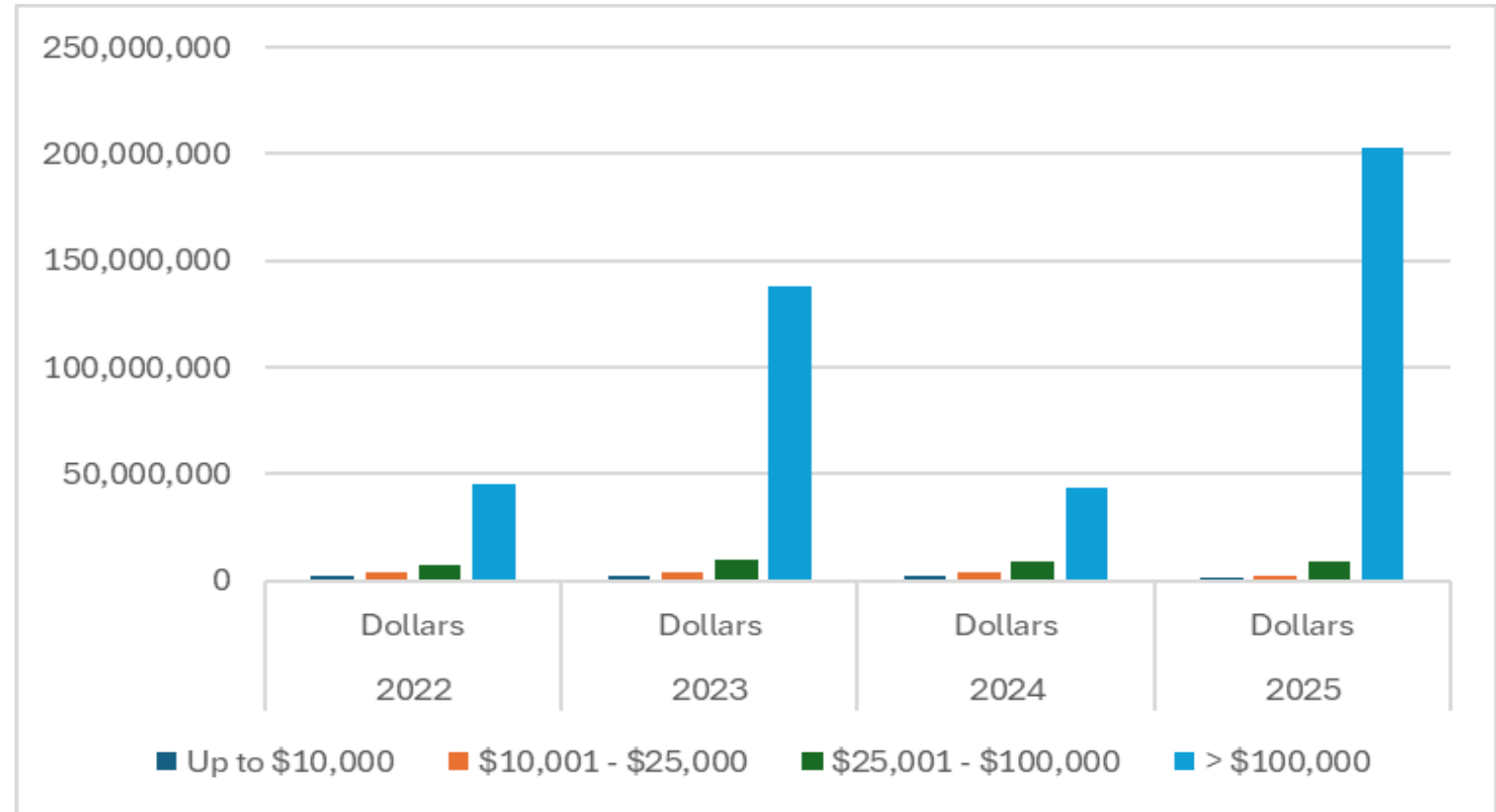
- 40% of PO's under \$10k
- 20% of PO's \$10k - \$25k
- 21% of PO's \$25k-\$100k
 - 11% \$25k-\$50k
 - 6% \$50k-\$75k
 - 4% \$75k-\$100k
- 19% of PO's \$100k+

PENSACOLA



PO's by \$\$ Amount

- 0.6% of PO's under \$10K
- 1.4% of PO's \$10K - \$25K
- 4.3% of PO's \$25K-\$100K
 - 1.6% \$25k-\$50k
 - 1.5% \$50k-\$75k
 - 1.2% \$75k-\$100k
- 93.7% of PO's \$100k+



The consequence of our current system



- 79% of PO's are under \$100K
- However, 94% of all funds spent on PO's are above \$100K

**Due to sheer volume, we spend 80% of our time
administering 5% of the funds**

The consequence of our current system



- Facilities
- Parks & Recreation
- Housing
- Public Works

Increased response times for up to 3-5 weeks for minor projects that may require immediate response



Burdensome and lengthy process for low-dollar, high priority fixes

Proposed Amendments to Current Policy



Define commodities, services and public works and improvements to provide clarity in the ordinance.



Remove the conflicts found in Sections 3-3-1 (b), (d) and (g) by removing the language in paragraph (d) and (g).



Increase the PO threshold to match market realities and unburden the PO System



Increase the city's limit in public works projects to increase productivity & efficiency, unburden PO system, and match current market realities.*



Increase the threshold requiring 3 quotes and a PO from \$2,500 to \$10,000 to allow for agility and efficiency, and match current market realities.

** Improvements for electrical work costing more than \$75,000 must be competitively solicited.*

Proposed Definitions (Pulled from state statute)

- **Commodity** means any of the various supplies, materials, equipment, goods, artistic works, merchandise and all other personal property purchased or leased or otherwise contracted by the City.
- **Services** means those services within the scope of the practice of architecture, professional engineering, landscape architecture, registered surveying and mapping, legal work including but not limited to attorney, paralegal, expert witness, appraisal or mediator services, professional consulting including technical consulting, services provided by academic organizations, individual lectures, health services and advisory consulting. Services shall also include those information technology related services that include but are not limited to network security, server maintenance and enhancement, software maintenance and upgrades, communication, data and internet services, computer software licenses and computer system subscription services.
- **Public works and improvements** refers to infrastructure projects undertaken to serve the community. These projects typically include the construction, maintenance, and enhancement of facilities such as roads, bridges, water supply systems, sewage systems, public buildings, parks, and transportation networks. This includes the upgrading, expansion or rehabilitation of the same.

Existing State Statute Guardrails on Purchasing



FIST 255.05 Anyone entering into a formal contract with the city for construction of a public building or public work (including repairs) **for projects over \$200,000 must have a payment and performance bond**



FIST 255.20 A City seeking to construct or improve a building, structure or other public construction **must competitively award to an appropriate licensed contractor for projects costing more than \$300,000 or for electrical work costing more than \$75,000**



FIST 255.0525 Any solicitation for a construction project costing more than **\$200,000 shall be advertised** at least once in a newspaper **at least 21 days** prior to bid opening and 5 days prior to a pre-bid conference. Constructions **projects > \$500,000 must be advertised at least 30 days** prior to bid opening



FIST 287.055 Any City seeking professional, architectural, engineering, landscape, architectural, surveying or mapping services for a project the construction cost of which is estimated **to be greater than \$325,000** (or for a planning/study activity > \$35,000) **must be solicited** under the CCNA guidelines.



FIST 287.055 You may **award task orders for professional services from a continuing services contract** as long as the associated construction costs do **not exceed \$7,500,000**. For a study the contract cannot exceed \$500,000

Council Retains Control



- Revisit ordinance ever 4 years
 - Gives council adequate oversight
 - Allows for change in ordinance as necessary
 - Allows council and city ability to respond to changing fiscal environment
 - Brings ordinance to council for review on a determined schedule (last change was 2006)