



# City of Pensacola

## CITY COUNCIL

### MINUTES

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

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May 19, 2025

3:30 PM

Hagler-Mason Conference Room,  
2nd Floor

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#### ROLL CALL

Council President Moore called the workshop to order at 3:55 P.M.

**Council Members Present:** Jared Moore, Allison Patton, Charles Bare, Jennifer Brahier, Teniade Broughton, Casey Jones, Delarian Wiggins

**Council Members Absent:** None

#### SELECTION OF CHAIR

Consensus among Council was that Council President Moore would preside over the workshop. *No objection.*

#### DETERMINATION OF PUBLIC INPUT

Consensus among Council was to hear public input following the presentation prior to Council's discussion. *No objection.*

#### 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

City Administrator Kinsella addressed Council providing an overhead presentation (attached) regarding the City's purchasing and procurement ordinances and policies and that City staff have identified impediments that currently exist within the current purchasing and procurement ordinances and policies, which he advised have not been substantively updated since 2006.

Following the presentation, discussion ensued among Council with City

Administrator Kinsella and Finance Director Lovoy responding accordingly to questions and comments. Key issues identified by staff and discussed with Council were as follows:

- Conflicting language and outdated fiscal limitations in both ordinances and policies.
- Lack of clarity about definitions and terms results in conflicting guidance.
- Requirement of three (3) quotes for every purchase over \$2,500 (but less than \$25,000).
- Overwhelmed PO system which significantly reduces efficiency.

Proposed amendments to current policy recommended by City staff were discussed with Council as follows:

- Define commodities, services and public works and improvements.
- Remove conflicting language City Code Section 3-3-1.
- Increase the City's purchasing limit on public works projects.
- Increase the threshold requiring three (3) quotes and a PO from \$2,500 to \$10,000.
- Increase the PO threshold (which is currently \$25,000).
- Revisit the ordinances every four (4) years providing a determined schedule.

Also discussed were existing state statutes which provide guardrails on purchasing and procurement.

**City Administrator Kinsella indicated the intent of (this) discussion is to receive feedback and direction from Council to understand any concerns and then work together to mutually agree to amend the current ordinances and policies. Based on discussion, consensus expressed among Council was that increasing the threshold requiring three (3) quotes and a PO from \$2,500 to \$10,000 was appropriate, as well as increasing the PO threshold amount from \$25,000 to at least \$50,000.**

ADJOURNMENT

4:27 P.M.

Attachments:

- 1) Memorandum dated May 19, 2025
- 2) Presentation



# City of Pensacola

222 West Main Street  
Pensacola, FL 32502

## Memorandum

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**File #:** 25-644

City Council

5/19/2025

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### **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

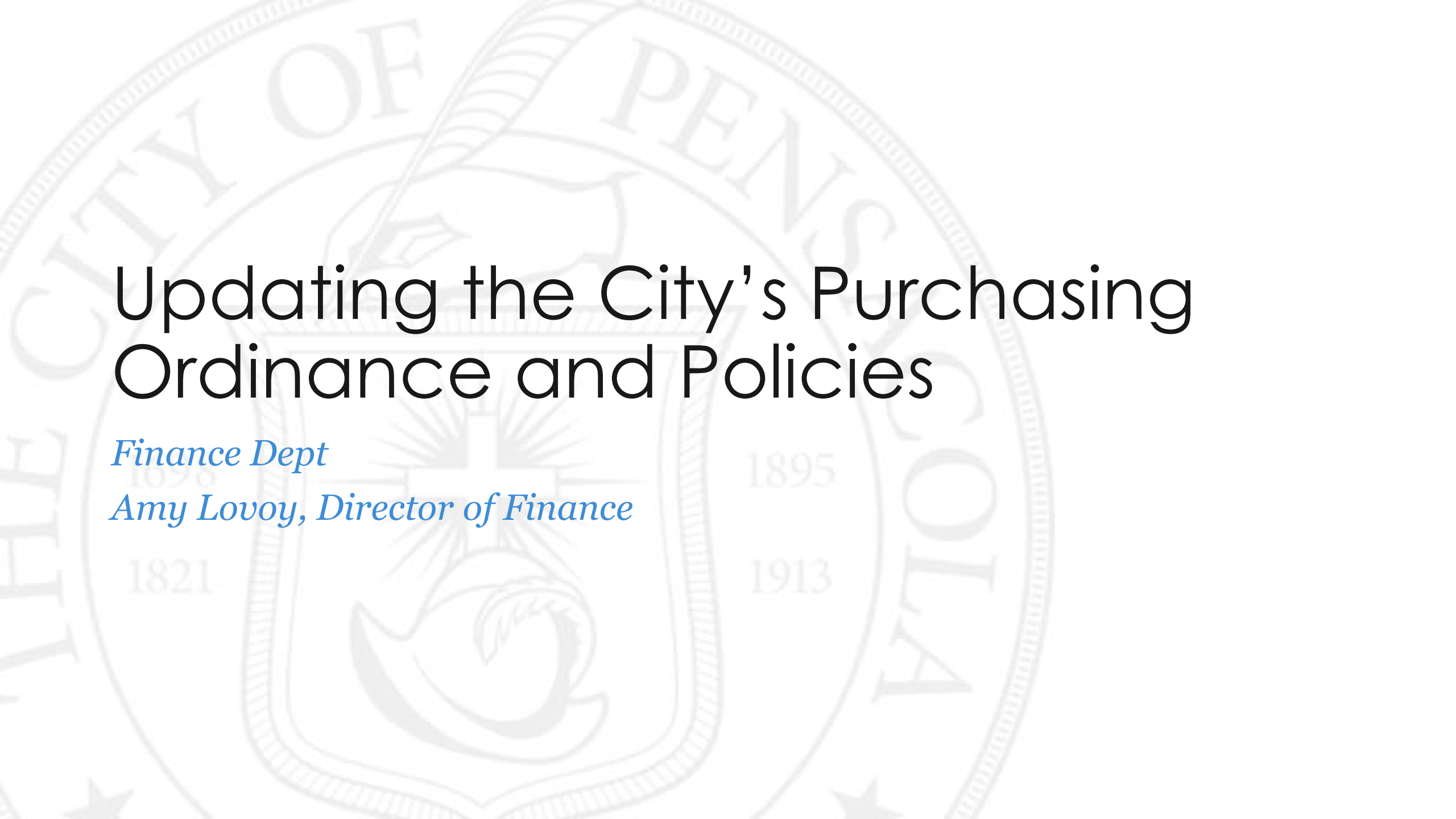
**STAFF CONTACT:**

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

**ATTACHMENTS:**

1. PRESENTATION

**PRESENTATION:** No

The background of the slide features a large, faint, light-gray seal of the City of Pensacola, Florida. The seal is circular with a double-lined border. Between the lines, the words "THE CITY OF" are at the top, "PENSACOLA" is at the bottom, and "FLORIDA" is on the right side. The center of the seal contains a shield with a sunburst at the top, a palm tree in the middle, and a crescent moon at the bottom. The years "1821", "1895", and "1913" are also visible within the seal's design.

# 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

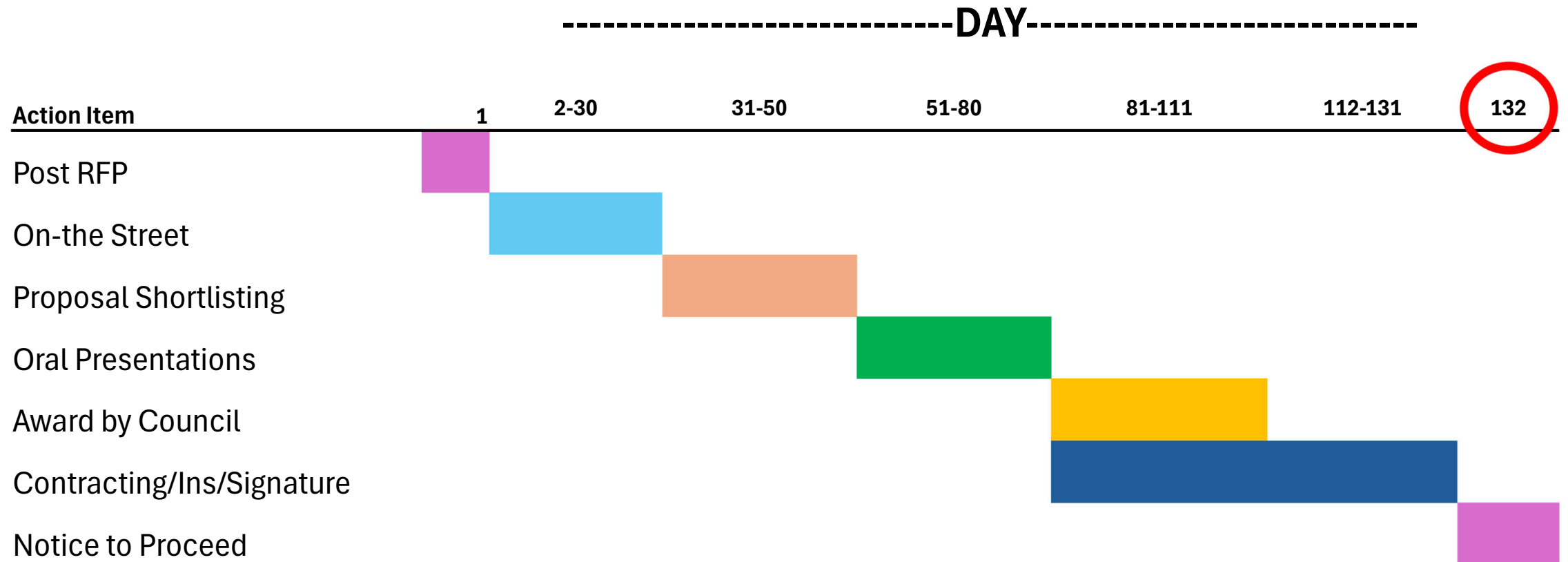
# Definitions – Commodities and Services

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.*

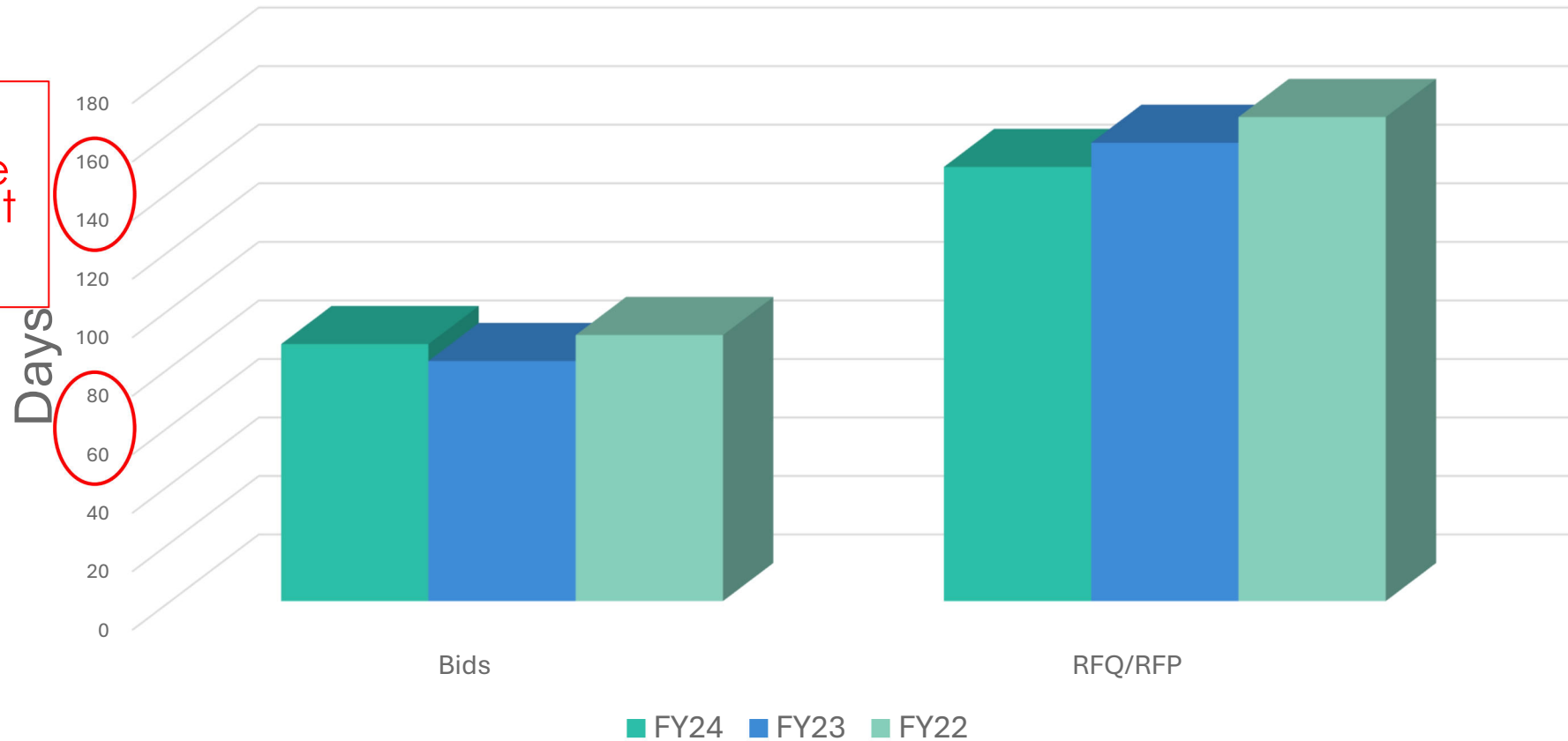
# Best Case Timeline for an RFP

(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+

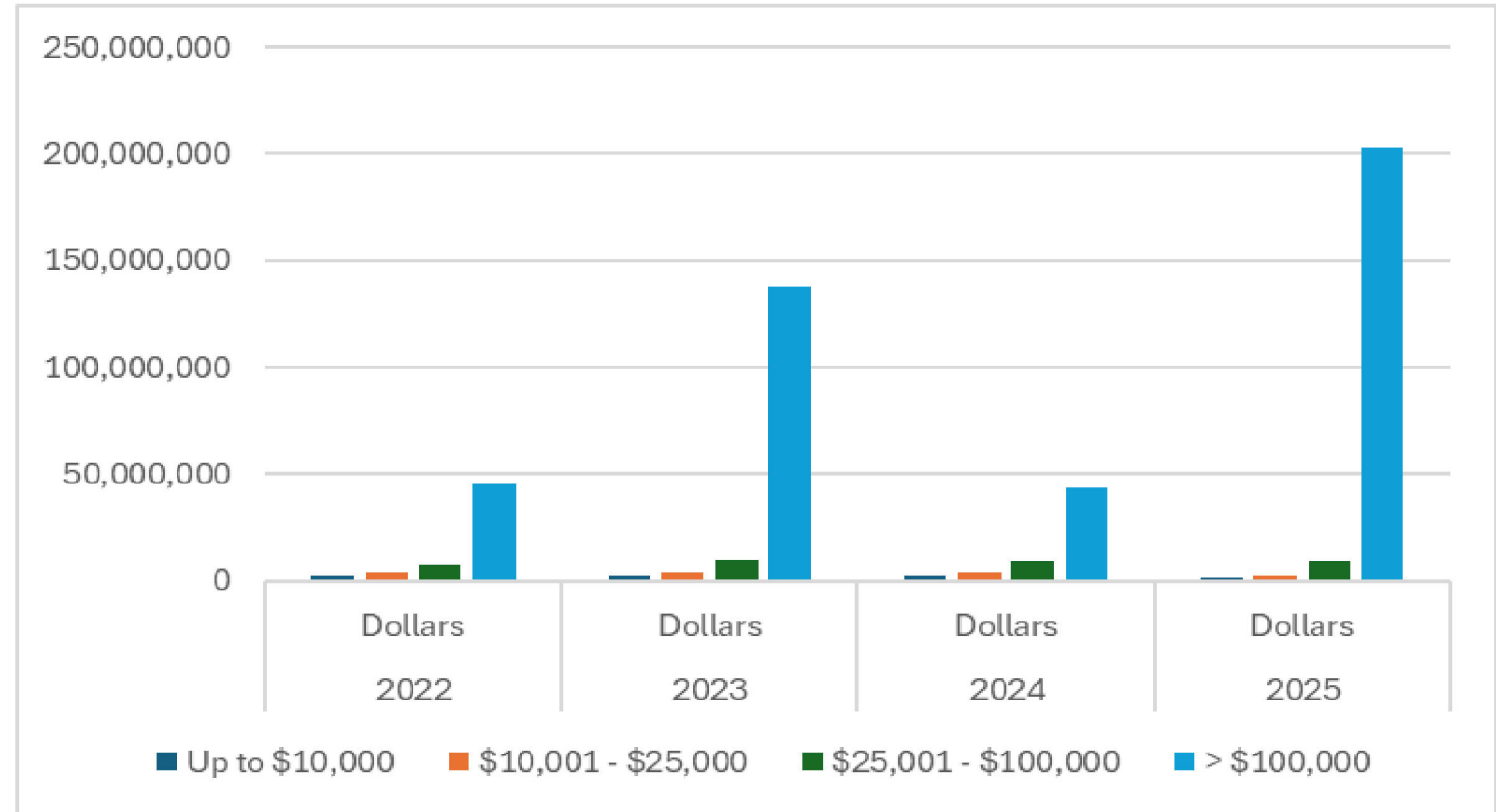
PENSACOLA



# 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)