



## Policy: Purchasing of Goods and Services

**ChildNet Number: CN 010.026**

**Original Approved Date: June 18, 2003**

**Policy Revised Date(s): July 26, 2005, August 20, 2007, March 5, 2010,  
May 20, 2010, May 14, 2014**

**Policy Sunset Date:**

**COA Standard(s): RPM 2.01, FIN 7.04**

### Statement of Policy

It is the policy of ChildNet to ensure the maximum effectiveness of expenditures through proper purchasing procedures which are in compliance with the Board of Directors' and funding source's fiscal requirements.

### Scope

The Purchasing Department has established internal control policies and procedures over procuring any goods and/or services outside the procurement process. As a general rule, any product or tool necessary for a ChildNet associate to perform their job can be requisitioned through Purchasing, (i.e., technology hardware/software products furniture, general office supplies, etc.) Individuals delegated to procure goods or services on behalf of ChildNet have the responsibility for purchasing in accordance with sound business practices. The main objective is to attain maximum value for every dollar expended and maintain spending within budgetary limits.

**Board Chair's Signature:**



**Date:**

5/22/14



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**Procedure Sunset Date:**

**COA Standard(s): RPM 2.01, FIN 7.04**

### **Definition(s):**

**Commodity/Good or Product** is a tangible article of trade, commerce or merchandise.

**Contract** is a written agreement between an agency and a vendor/provider/contractor for the performance of specified service(s) and/or the purchase of good(s), which is enforceable by law.

**Invitation to Negotiate** (referred to as an ITN) is a written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. The ITN is used when the agency determines that negotiations may be necessary in order to receive the best value.

**Purchasing Requisition Form** (referred to as a PRF) is a formal request sent internally within a company to obtain purchased good(s) and/or service(s). The request is a document which informs the purchasing department or manager exactly what good(s) and service(s) are being requested, the quantity, source, and associated costs.

**Purchase Order (PO)** is a buyer generated document that authorizes a purchase transaction. It sets forth the description, quantities, prices, discounts, payment terms, date of performance or shipment, and identifies a specific seller.

**Request for Proposal** (referred to as RFP) is a solicitation for potential contractors to submit their bids in a competitive bidding process on a specific commodity or service. A written solicitation includes a solicitation that is electronically posted.

**Request for Quotation** (referred to as RFQ) is a negotiating approach whereby the buyer asks for a price quotation from a potential seller for specific goods.

**Service** is the performance of any duties or work for another; helpful or professional activity.



**Vendor/Provider/Contractor:** An individual or organization that sells goods or services that can fully perform the contract requirements with integrity and reliability assuring good-faith performance.

### **Statement of Procedure**

This policy establishes organization wide procedures for the procurement of commodities and/or services necessary for employees to perform their jobs effectively to achieve ChildNet's mission. These items include, but are not limited to, the purchase of all office supplies, printing, information technology equipment, voice or data communication products and services. All expenditures must be processed with written approval given by the Chief Financial Officer (CFO) or designee Expenditures made which are not incurred through the appropriate application of the procedure may impair ChildNet's ability to maximize effectiveness through the use of vendor discounts or negotiated pricing from state term contracts located at [www.dms.myflorida.com](http://www.dms.myflorida.com).

Whenever possible, products or materials should be procured from Prison Rehabilitative Industries and Diversified Enterprises (PRIDE) pursuant to Florida Statutes 946.515 located at [www.peol.com](http://www.peol.com).

### **Selection of Vendors**

Vendors are selected for their ability to meet the needs of ChildNet in the most economical and efficient manner. New vendors are evaluated for performance, service and quality through checking of applicable references and/or under the Florida Department of State Division of Corporations website at [www.sunbiz.org](http://www.sunbiz.org).

In addition, the Excluded Parties List System (EPLS), [www.sam.gov](http://www.sam.gov), includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits.

Contracts are made only with responsible vendor/provider/contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement request. ChildNet reserves the right to make this determination based on its staff's expertise.

### **Requisition to Purchase**

The Purchasing Requisition Form (PRF) is used to request the procurement of tangible commodities, products and/or services. Approval by the appropriate management personnel must be obtained prior to submitting the form for authorization for purchase. Only persons officially designated by ChildNet can authorize purchase requisitions. Copies of PRF and Purchase Orders are retained for record keeping purposes by the requesting department.



The following recurring purchasing is exempt from the PRF requirements:

- a. When there is an ongoing contract at a fixed rate, (i.e., equipment rental/lease agreements, installment purchases, office supplies, services and maintenance agreements),
- b. Contracted Services covered by an Independent Contractor Agreement
- c. Continuation of Professional Services
- d. Utilities, Insurance, Taxes
- e. Staff Development, i.e., seminars, membership dues
- f. Postage

### **Requesting an Office Supply Purchase**

Purchase requests for office supplies are processed on an as needed basis. A designated person from each ChildNet department submits their office supply request directly to their Supervisor for approval prior to entering into the office supply portal or forwarding to the authorized designee for purchases. Supervisor and Finance Department approval hierarchies are integrated into ChildNet's profile within the office suppliers online ordering system. Prior to approving the orders, the Finance department reviews each request for items which can be fulfilled in house. ChildNet staff are encouraged to use approved vendors which have been identified to provide the maximum cost effectiveness. Office Supplies are delivered to each ChildNet office and distributed accordingly to the user. Recipients review the order against the packing list to ensure receipt of all items. Any discrepancies are brought to the attention of the individual responsible for ordering and the order approver for resolution.

### **Receiving**

It is the responsibility of the end user to confirm receipt and inspect all goods and/or services upon delivery. Any damages or shortages discovered must be documented on the packing slip and communicated to the requestor. ChildNet only processes payment for goods or services received and in good working condition.

### **Single Source Procurement**

Single source procurement is avoided except when no reasonable alternative source exists. Documentation must be reviewed and approved by the Chief Financial Officer.

### **Leases**

All leases that have a value up to \$100,000 must be approved by the Chief Financial Officer prior to execution. Leases that have a value exceeding \$100,000 must be approved by the Chief Executive Officer unless such authority is specifically given to another in writing. The Finance department is responsible for determination of Capital/Operating lease allocation in accordance with the Finance Department policy and with General Accepted Accounting Principles.



## Quotes/Bids/Proposals

It is ChildNet's intent that fair and open competition be recognized as a basic tenet of procurement. Such competition reduces the appearance and opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically. When determined to be appropriate ChildNet utilizes such methods of procurement including the RFP, RFQ and ITN solicitation processes.

For purchase requests over \$2,500 and not exceeding \$35,000, the CFO or designee conducts an informal solicitation such as a Request for Quote (RFQ) when the sole determining factor in such selection process is pricing. A minimum of 2 vendor's quotes are required (i.e., fax, phone, email, or written).

For requests under \$35,000, ChildNet may proceed with the purchase based on the receipt of two quotes. (i.e., fax, phone, email, or written). Receipt of quotes or evidence that no quotes were received or available are documented and approved in writing by the CFO. It is at the Officers, Directors, or designee discretion whether informal quotes are required on purchases below \$2,500.00.

Purchases which exceed an aggregate dollar amount of \$35,000 should require a minimum of three bids. Barring extenuating circumstances, if it has been determined that a third quote/bid/proposal is **NOT** necessary, the circumstances are documented and approved in writing by the Officer or Director, or designee and Chief Financial Officer.

ChildNet may select 'Alternate Contract Source' (a.k.a. piggybacking) as a means of purchasing commodities and /or services from contracts of other governmental entities, (i.e., federal government, State, Municipalities Counties and Community Base Care agencies). For purchases exceeding \$35,000.00 negotiated contracts with any of these entities may be exempted from the competitive bidding process if available and financially advantageous. State term contracts and agreements can be found at [www.dms.myflorida.com](http://www.dms.myflorida.com).

ChildNet may select negotiated contracts pricing in lieu of soliciting a written Request for Proposal RFP. It is ChildNet's discretion to select another source of procurement if it has been determined that there is a more favorable price, term, or condition available.

The Officer, Director, or designee determines the appropriate solicitation method (i.e., RFI, RFQ, and ITN). Difficult or unclear situations are discussed with the CFO who makes the final determination.

Vendors are responsible for the accuracy and completeness of their bids and all vendor bids are held in confidence by ChildNet. ChildNet reserves the right to reject all bids when circumstances warrant.



### **Invoice Approval Levels and Limits**

- The Program **Director** or designee is authorized to **approve invoices up to \$2,500.**
- **The Chief Officers, Controller, or designee is authorized to approve invoices up to \$7,500.**
- In the CFO's absence, the **Controller** has authority to approve **invoices up to \$10,000.** Written approval must be obtained from the **CFO** for **invoices up to \$100,000.**
- Written approval must be obtained from the **CEO** for **invoices greater than \$100,000.**
- Written approval must be obtained from the Board of Directors for **invoices greater than \$500,000.**

### **Florida Sunshine Law**

All procurement must be made in accordance with the Florida Government-in-the Sunshine Law F.S. Chapter 286.

### **Conflict of Interest**

Any activity that presents or appears to present a conflict of interest between ChildNet and its clients on the one hand and an employee, member of any governing body or advisory board or any other person on the other hand are prohibited. **Reference No. CN 009.029 Conflict of Interest P&P**

### **Utilization of Small, Minority Owned, and/or Women's Businesses**

ChildNet is committed in its purchasing with the objective of fostering greater participation with small, minority owned and/or women's businesses in its procurement activity.

### **Insurance**

Prior to the commencement of any work or service, evidence of appropriate insurance coverage must be submitted to the purchasing/contracts department. Insurance guidelines setting forth coverage and limits for construction and renovation projects, independent contractors, and maintenance and other service providers are set forth in the respective contracts. These guidelines are intended to assure appropriate insurance coverage when ChildNet enters into a contract to purchase goods and/or services.

**President's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

11/2/22