

## 5.1.1 COMMODITIES AND SERVICES

Purchase of all goods and services, except those executed through a standard contract, excluded by exemption, or purchase using the purchasing card, shall originate through the MFMP system and follow all business rules. **It is the policy of the Department that a purchase order will not be processed for goods/services that are acquired after-the-fact. Purchases made prior to the issuance of a purchase order are unauthorized and, therefore, not binding on the agency. Unauthorized purchases may result in the requestor being held responsible for payment and/or disciplinary action.**

## PROCEDURE

### Division / Program Area:

- A. Purchase Requisition: A Purchase Requisition (PR) is a formal request to procure commodities and/or services on behalf of program areas or divisions. The Purchase Requisition is used by all offices to identify commodity and service requirements, and notify/authorize Departmental Purchasing to make a purchase. All Purchase Requisitions will be processed in accordance with all applicable rules, procedures and statutes.
1. When the requested commodities/services (except IT and furniture) are less than or equal to \$999.99, the procurement of the commodities/services (except IT and furniture shall be made on the State's Purchasing Card (Pcard). *(added 04/19/06)*
  2. Planning Time for Purchase Requisition (Lead Time): Planning for the amount of time to process a Purchase Requisition depends largely on the complexity of the procurement, the type of procurement method being pursued, the dollar value, the workload in the procurement unit, and the contracting document being utilized.
  3. When preparing a requisition in MFMP, **do not select "Lot"** as the **unit of measure** for commodity requisitions. The information contained in the line item should match how the invoice will be received.
  4. Purchase Requisitions must be entered into MyFloridaMarketPlace. Purchase Requisitions will be reviewed by Departmental Purchasing every working day as the requisitions appear in MyFloridaMarketPlace.
  5. Before a Purchase Order is issued, the Purchase Requisition must be

completed in its entirety which includes electronic approvals from all appropriate approving personnel. The following information shall be included in the supporting documentation and attached to the Electronic Purchase Requisition:

- a. An electronic copy of all quotes (see subsection 2, "Price Quotes" for more information on quotes), utilizing the department's quotation form, or the eQuote capability within MyFloridaMarketPlace.
6. It is the responsibility of the designated purchasing representative(s) for each office to make sure that all required data is completed prior to submitting the Purchase Requisition to Departmental Purchasing.
7. Additional approvals for specific commodities and services:
  - a. All Purchase Requisitions for Information Technology Resources require prior approval by the Chief Information Officer.
  - b. All Purchase Requisitions for communication equipment and/or service must be reviewed by the Chief Information Officer.
- B. Price Quotes: When the requested commodities/services are less than or equal to Category Two (\$25,000.00), the procurement of the commodities/services shall follow:
  1. A minimum of (1) one quote is necessary for purchases up to \$2,500.00.
  2. Purchases with a dollar value between \$2,501.00 and \$14,999.00 will require (2) two or more quotes.
  3. Purchases with a dollar value between \$15,000.00 and \$24,999.00 will require (3) three quotes.
  4. For emergency purchases the requester may use the P-card but must have at least two quotes. If two quotes are not available, documentation related to emergency purchases pursuant to s. 287.057, Florida Statutes is required.
  5. Documentation for purchases from a State Term Contract: For all purchases of \$2,500 or greater, Requisitioners are responsible for competitively setting the price for each particular order, and they shall do so by initiating a Request for Quote ("RFQ"), which is a written request for written pricing or service information from a Contractor for products available under the State Term Contract from that Contractor. Requisitioner shall create and maintain written records of oral and written requests, as

well as records of quotes received. Quotes shall be in writing but otherwise informal, and need not be received or posted publicly or at a particular time or place. A Requisitioner shall initiate a sufficient number of requests to obtain a minimum of three quotes, should look for a Contractor willing to beat its own (or a competitor's) currently authorized Contract price, and shall place the purchase order with the Contractor quoting the lowest price, unless the Customer documents in writing that the lowest price quote would not result in best value (for example, lowest price is for refurbished or remanufactured product).

### **Departmental Purchasing:**

- A. Established Thresholds/Required Approvals: In order to maintain proper controls over the procurement of commodities and services, it is necessary to establish specific dollar thresholds with related levels of approving authority required.
  1. The appropriate authorized approvers must approve all Purchase Requisitions.
  2. Approval Thresholds:
    - a. Based on the number, type, and dollar value of expenditures, spending authority of \$7,500 to \$10,000 is justified for the Director of Facilities Management and Building Construction.
    - b. Spending authority up to \$5,000 is justified for all other Division Directors. Division Directors can delegate spending authority to their managers and selected employees based on the programmatic and operating needs of their division. Division Directors should delegate authority for approval of P-Card purchases to the division's budget liaison accordingly.
    - c. Purchases greater than the Division Director's spending authority, but not exceeding \$25,000, should be approved by the Deputy Secretary or Chief of Staff. Purchases greater than \$25,000 should be approved by the Secretary or his designee.
    - d. The exceptions to this scale would be monthly invoices paid by divisions on previously negotiated contracts. The Division Director may delegate spending authority on these types of payments to the Contract/Program Manager.

Many of these types of payments are considerably higher than the spending authority amounts established for the Division Directors. However, since these are generally service contracts, which have received the signature of the Secretary or his designee following negotiations, the authority to pay would be based on performance by the vendor as determined by the contract manager.

**B. Additional Signature Requirements:**

1. All OCO purchases must be reviewed and approved by the appropriate Division Director and the OCO Approver identified within MyFloridaMarketPlace.
2. All Fixed Capitol Outlay (FCO) purchases must be reviewed and approved by the appropriate Division Director, the Office of Planning & Budget, Bureau of Finance and Accounting the appropriate Deputy Secretary and the Secretary.
3. All Technology related purchases must be approved by the Chief Information Officer (CIO).

**Requisitions:**

Listed below are instructions on how requisitions are to be prepared, submitted and processed.

**A. All requisitions for services shall contain the following:**

1. beginning date and ending date
2. scope of work
3. deliverables,
4. payment methodology
5. performance standards

**B. Also, all requisitions shall include the following:**

1. Description should include who, what, when, where, etc.
2. Division Name before the title in the "Requisition Title" line.
3. Your phone number at the end of your name in the "Deliver To" line.

- C. Justification shall be included in the comments when the commodity/service is available from one source and the dollar amount is under \$25,000. If the dollar amount is over \$25,000, then you must complete the Agency Exceptional Purchase Request form to the requisition.
- D. Quotes shall be attached to the requisition for all purchases of \$2,500 but less than \$25,000. A minimum of three (3) quotes will be required.
- E. Purchase greater than \$25,000 must be competitively procured through Departmental Purchasing.
- F. When the commodity/service is purchased from a State Term Contract (STC) and is a multiple award for the same item from different vendors. Then you must get quotes from the vendors on the STC. The requisition must be issued to the supplier with lowest quote and attach a copy of all the quotes to requisition.

### **Purchase Orders:**

- A. A purchase order will be processed by the Departmental Purchasing Office within two (2) business days of receiving an approved Purchase Requisition with supporting documentation.
- B. For further information on how to create, revise, etc. a requisition/purchase order, refer to the MyFloridaMarketPlace Reference <http://training.myfloridamarketplace.com/buyer>

### **Receipt of Goods:**

All vendor goods for the Capital Circle Office Complex (CCOC) will be received by Property/Receiving Office personnel and examined for completeness and either accepted or rejected. The Receiving Office will make a copy of the Purchase Order and document received and rejected items. The receiving form, if goods are accepted, will be processed as follows:

- A. Upon receipt of the goods, the Receiving Office will examine and, if accepted, deliver the goods to the requesting office within one working day. The requesting office will then enter this information into the receiving report in MyFloridaMarketPlace.
- B. Partial shipments are processed in the same manner as complete shipments. The requesting office shall be notified of the rejected shipment. The requesting office will then state the reason for the rejection within the receiving report in MyFloridaMarketPlace.

- C. All vendor goods for offices other than the CCOC will be received by the person designated in the “Ship To” section of the purchase order, or by another authorized employee. Receipt will be acknowledged by completing the receiving report in MyFloridaMarketPlace.

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