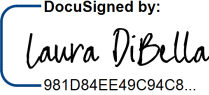


**POLICY A2- PURCHASING AND CONTRACTS**

Effective: January 5, 2023

Approved:  DocuSigned by:
Laura DiBella
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1/5/2023

Policy: It is the policy of EFI to purchase what we need to successfully support our mission, operations, and stakeholders in a strategic, efficient, and compliant manner while effectively managing our resources.

Purpose: To establish a policy to control all procedures associated with purchasing and contracts, authorize approval limits and signatory authority, and outline expectations, guidelines, and controls for purchasing and contracts.

Scope: This procedure is applicable to Enterprise Florida, Inc. (EFI).

Definitions

Invoice: A document prepared by the vendor that indicates the description and price of goods or services provided and other applicable information.

C-Level Officer: The Secretary of Commerce, Deputy Secretary of Commerce, Chief of Staff, or another officer granted authority by action of the Board of Directors. For the purpose of this policy, an Acting Secretary has the same approval authority as the Secretary.

Purchase Order (PO): A document prepared by EFI which lists the item(s) being purchased with the description, price, and appropriate approval. Purchase Orders commit payment so long as the vendor fulfills their obligations.

Vendor Intake Form: A document prepared by/for all vendors. The form will allow for the appropriate categorizing of vendors and assist with tracking the use of Minority & Service-Disabled Veteran Business Enterprise to fulfill DEO reporting requirements. In lieu of the vendor intake form, the requesting staff member may search the State's vendor directory (<https://vendor.myfloridamarketplace.com/search/vendor>) and inform Contracts if a vendor is listed.

Budget Memo: A document prepared by EFI staff which lists the expenses involved with specific Business Development or International Trade and Development program events including description, price, and appropriate approval. A Budget Memo is also prepared for approval of sponsorships. The form is located on EFI's intranet site under Important Forms.

Purchasing Liaison (PL): The individual who is assigned the duties of ordering supplies for their respective office and/or coordinating purchases with the Finance and/or Contract team(s).

Review Committee: A committee of at least 3 but no more than 5 individuals identified by the Project Lead to review and score responses received to competitive selection process. The SVPA, or their designee, is either an ex-officio or voting member of all review committees. In general, the SVPA or designee must be a voting member when the value has the potential to exceed \$100,000.

Payment Request: A document prepared by EFI staff to request the payment of an invoice.

Vendor: The outside company, partner, or individual that provides products or services to EFI.



I. Purchase and Contract Approval Limits

1) The approval limits for the purchase of goods and services are as follows:

AMOUNT	SIGNING AUTHORITY
UP TO \$1,000	Signature of a Director or Senior Director
\$1,000 TO \$2,500	Signature of Vice President of the business unit Administrative Support Leads & Purchasing Liaisons for each office location are authorized to purchase or approve budgeted recurring or monthly office related expenses up to this amount.
\$2,500 TO \$15,000	Signature of the Division's Senior Vice President as outlined below
OVER \$15,000 - \$100,000	Positions as outlined below
UNLIMITED	C-Level Officers

2. Senior Vice Presidents (SVPs):

- a. SVPs may approve purchases for their divisions up to \$15,000 when they have available budget.
- b. SVPs may sign contracts that legally bind EFI when-
 - i. The total value of the contract is no more than \$15,000. When there is potential for a contract's value to exceed \$15,000, SVPs must obtain additional approval.
 - ii. The expense associated with a contract is budgeted and/or the SVPs division has available funds to cover the expense (within the limit above).
 - iii. The contract is approved by the Contracts Team and/or Legal.
- c. SVPs are responsible for assessing partnership/agreement renewals prior to deadlines and making a recommendation to the contracts team prior to deadlines.

3. Senior Vice President of Administration (SVPA):

- a. The SVPA may approve purchases up to \$100,000 for all divisions other than purchases specifically for Administration.
 - i. To ensure appropriate controls, the SVPA's approval authority is the same as other SVPs when the purchase is solely associated with the Administration Division and/or a department within the division. The SVPA must obtain approval from the Chief of Staff, or another C-Level Executive when the COS is unavailable, for Administration purchases that exceed the SVP approval limit.
- b. The SVPA may sign contracts that legally bind EFI when-
 - i. The total value of the contract is no more than \$100,000
 - ii. The contract is approved the contracts team and/or legal
 - iii. The contract value fits within the approved EFI budget



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- c. The SVPA may sign contracts outside of the SVPAs normal limit when C-Level Officers are not available for signature within the required timeframe. This authority may only be exercised with written or email permission from a C-Level Officer.
 - d. The SVPA must provide copies of all signed agreements to the contracts team.
 - e. The SVPA, or a C-Level Officer when the SVPA is unavailable, must approve contracts and expenses for other divisions when the division does not have available budget.
 - i. The SVPA may not approve a contract or expense that will result in EFI exceeding the organization's total expense budget for the given fiscal year.
 - f. The SVPA, in consultation with the contracts team, is responsible for providing oversight to the formal bid and vendor selection processes.
 - g. The SVPA, in consultation and partnership with legal, has the authority to engage in negotiations on behalf of EFI for contracts impacting the entire organization.
 - i. The SVPA may also engage in other contract negotiations upon request or when a situation warrants assistance.
4. C-Level Officers (CLOs):
- a. CLOs may approve all purchases regardless of the dollar amount and may legally bind EFI unless otherwise restricted by applicable law or Board policy.
 - b. Proposed contracts with a value of \$500,000 or more must follow the requirements outlined in the DEO agreement prior to signing.
 - c. EFI must submit all proposed contracts with a total cost of \$750,000 or more in accordance with the notice and review procedures of F.S. 216.177. When EFI is required to follow these procedures, agreements may not be signed unless all requirements are satisfied.
5. Other
- a. The Controller is authorized to approve purchases up to \$15,000 but may not legally bind EFI. Unless otherwise mentioned in this policy, the purchases must not result in a contract.
 - i. The Controller may approve purchases that exceed the limit above for approved lease and subscription payments. In addition, the Controller may approve all payments when they are associated with approved contracts, grants, and agreements with the State of Florida.
 - ii. The Controller may approve payments associated with payroll (wages, retirement, benefits, and staffing agencies) when the payments were approved by HR, and when the payments do not deviate from budgeted expectations. Variances must be reviewed and approved by the SVPA, or a CLO when the SVPA is associated with the variance.
 - iii. Upon written or email permission from the SVPA, the Controller may exercise the SVPA's purchase approval authority when the SVPA is ill or on leave. The Controller may not exercise the SVPA's contract authority.
 - b. Check signing authority is granted to the following positions within the constraints of any applicable approval limits:
 - i. Secretary of Commerce
 - ii. Deputy Secretary of Commerce
 - iii. Chief of Staff
 - iv. Senior Vice President of Administration
 - v. Controller

Staff who have purchasing or purchase approval authority must be aware of the standards of ethical



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behavior and avoid unethical conduct and disclose all conflicts of interest. Conflicts of interest occur when either the vendor or staff are in a position to make or influence a procurement decision from which they might directly or indirectly receive financial benefit or which might give improper advantage to their associates. Staff should use good judgment, professional commitment, and ethics to protect themselves and EFI from potential conflicts. Failure to do so could result in disciplinary and/or legal action.

II. General Purchase and Contract Guidelines:

1. Purchases and/or contracts associated with the following must be reviewed and approved by:
 - a. IT for technology and software
 - b. Finance for recurring payments and subscriptions
 - c. MarCom for marketing, communications, promotional items, and branding
 - d. Administration or CLO for sponsorships (unbudgeted sponsorships must be approved by a CLO)
 - e. Administration for multi-year financial commitments
 - f. General Counsel or legal counsel for new contracts, contract changes, and contract renewals.
2. When a purchase and/or contract requires approval from another department, said approval must not be unreasonably withheld or delayed. In general, requests should only be denied when resources (people, finances, assets) are not available to support the request, or when the request is not compatible with EFI's operations and/or mission.
3. Purchases and/or contracts for a specific division that do not fit within the division's budget must receive approval from the SVPA prior to approval.
 - a. Only the Secretary, or CLO acting as CEO, may approve a request that will result in EFI exceeding the total organizational expense budget for the fiscal year. Policies and Board directives, if any, associated with exceeding total budgeted expenses must be followed.
4. Summaries of approved purchases and contracts that exceed \$100,000 must be reported to the Executive Committee **if** they will result in the organization exceeding the total expense budget for the relevant fiscal year.
 - a. Grants, legislatively appropriated pass-throughs, state agency agreements, and/or items approved by the Executive Office of the Governor are not required to be reported.
5. To the extent possible, EFI's standard contract terms/template should be utilized with agreements and all contracts must include reasonable safeguards.
6. Contracts for goods and services must clearly describe deliverables, payment milestones (when relevant), performance standards, contacts, and financial commitments.
 - a. When contracts are funded via state resources allocated to EFI, contracts may be required to obtain additional information as required by DEO agreements. The contracts team is responsible for ensuring contracts comply with all applicable agreements.
7. Internal staff contacts and/or the Accounting/Contracts team are responsible for ensuring all required forms (i.e. W9) are received and updated.
8. Payment request forms must be approved by the internal contact that can verify vendors met milestones and/or deliverables, and that products and/or services were received. So long as a payment request and/or invoice does not conflict with an approved quote, PO, or contract,



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additional approvals are not required. When a payment request and/or invoice conflicts, additional approvals are required.

9. Office supply purchases are coordinated by the administrative support lead and/or purchasing liaison for each office. These individuals are responsible for maintaining supply inventories, placing orders, and distributing supplies. When orders for office supplies exceed their approval authority, approval must be received from the appropriate SVP.
10. EFI is tax-exempt for purchases in the State of Florida. Purchasers are responsible for taking all reasonable steps to ensure EFI is not assessed sales tax for purchases in which EFI is exempt.
11. Purchases and contracts with a known or anticipated value of \$35,000 or more are required to follow the formal purchasing/bid process prior to approval.
 - a. When a purchase and/or contract has a value of less than \$35,000, they may be exempt from the formal purchasing process though all appropriate approval limits must be followed.
 - b. Contracts, regardless of value, must follow all required monitoring procedures.
 - c. Employees are encouraged to obtain more than one quote when formal purchasing processes are not required.
12. All contracts must be forwarded to the Contracts team for routing and signatories are responsible for ensuring the Contracts team receives a copy of fully executed agreements.
13. EFI executes and manages all contracts in a manner consistent with applicable state and/or federal laws and the Department of Economic Opportunity ("DEO") contract.

Responsibilities: All employees associated with a purchase are responsible for supporting the success of EFI, and the advancement of our mission, by efficiently and strategically finding and obtaining required goods and services in a compliant manner. Departments are responsible for managing their budgets, contacting vendors, negotiating prices, ensuring the purchase meets the need(s) necessitating the purchase, and forwarding approved invoices and payment requests to Accounting. The accounting and/or contracts team(s) has responsibility for issuing approved payments, ensuring compliance, record keeping, as well as coordinating purchasing procedures and processes.

III. Formal Purchasing and Competitive Selection

Purchases with a total cost of at least \$35,000 are to be coordinated through the Contracts Department and be publicly advertised, which can be accomplished (at minimum) by posting on the Enterprise Florida website. Awards will be determined by a Review Committee and should be made to the lowest responsible bidder unless there are extenuating circumstances. Responsible means a qualified vendor who meets the specifications and/or needs associated with the purchase. For sole source purchases, a Sole Source Justification Form must be completed by the department and approved the Secretary or their designee(s). Approved sole source forms must be forwarded to the Contracts Team.

Certain expenses are exempt from formal purchasing processes and/or competitive selection. The Contracts Team is responsible for maintaining an updated list of exemptions. Examples include:

- EFI Mobile Device Plans
- Legal and Accounting fees
- Rent and Utilities



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- Payroll and Benefits
 - Pass through contracts and grants associated with legislative appropriations and/or DEO so long as applicable procedures are followed
 - Grants established by EFI for the purpose of supporting economic development/enhancement so long as applicable procedures are followed
 - Joint ventures and sponsorships in which EFI's partner commits to providing at least 25% of the cost via actual and/or in-kind payment
 - Sole Source (only vendor that can meet needs based upon specifications, time constraints, unique qualifications, and/or unique knowledge of EFI, as well as a government entity and/or public-private partnership)
 - Exemptions outlined in Florida Statutes

Trade mission and event related goods and services are evaluated and approved as part of the EFI annual budget. Vendors are typically considered a sole source. Each program manager should instead prepare and submit a budget memo through their SVP to the SVPA, which details the vendors to be used and estimated expenses.

As a public-private partnership, EFI receives resources from the state as well as other partners. State funds may not be utilized for certain expenses. When these purchases/expenses are required, private funds must be utilized. The Contracts Team is responsible for maintaining an updated listed of purchases that are ineligible for state funds. Examples include:

- Salaries/wages that exceed the Governor's annual salary
- Food, beverage, and/or entertainment expenses outside of the allowable travel per diem
- Gifts of any kind
- Travel expenses that exceed allowable costs and/or justifications outlined in statutes

Competitive Selection

If the total anticipated purchase is expected to be greater than \$35,000 with a single vendor or contractor within the same fiscal year, competitive bids or quotes must be obtained. The appropriate selection process will be determined by the specific circumstances/requirements associated with the purchase and/or need. The following provides a brief description of the methods for competitive selection.

a) Invitation to Bid (ITB): The invitation to bid shall be used when the department is capable of specifically defining the scope of work for which a contractual service is required or when the department is capable of establishing precise specifications defining the actual commodity or group of commodities required.

- All invitations to bid must include:
 1. A detailed description of the commodities or contractual services sought; and
 2. If the agency contemplates renewal of the contract, a statement to that effect.
- Bids submitted in response to an invitation to bid in which the agency contemplates renewal of the contract must include the price for each year for which the contract may be renewed.
- Evaluation of bids must include consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor.
- The contract shall be awarded to the responsible and responsive vendor who submits the lowest responsive bid.



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b) Request for Proposals (RFP): Requests for proposals shall be used when the purposes and uses for which the commodity, group of commodities, or contractual service being sought can be specifically defined and the department is capable of identifying necessary deliverables. Various combinations or versions of commodities or contractual services may be proposed by a responsive vendor to meet the specifications of the solicitation document.

- All requests for proposals must include:
 1. statement describing the commodities or contractual services sought;
 2. The relative importance of price and other evaluation criteria; and
 3. If the agency contemplates renewal of the contract, a statement to that effect.
- Criteria that will be used for evaluation of proposals must include, but are not limited to:
 1. Price, which must be specified in the proposal;
 2. If the agency contemplates renewal of the contract, the price for each year for which the contract may be renewed;
 3. Consideration of the total cost for each year of the contract, including renewal years, as submitted by the vendor; and
 4. Consideration of prior relevant experience of the vendor.
- The contract shall be awarded by written notice to the responsible and responsive vendor whose proposal is determined in writing to be the most advantageous to the state, taking into consideration the price and other criteria set forth in the request for proposals. The contract file shall contain documentation supporting the basis on which the award is made.

c) Invitation to Negotiate (ITN): The invitation to negotiate is a solicitation which is intended to determine the best method for achieving a specific goal or solving a particular problem and identifies one or more responsive vendors with which the department may negotiate in order to receive the best value.

- The invitation to negotiate must describe the questions being explored, the facts being sought, and the specific goals or problems that are the subject of the solicitation.
- The criteria that will be used for determining the acceptability of the reply and guiding the selection of the vendors with which the department will negotiate must be specified. The evaluation criteria must include consideration of prior relevant experience of the vendor.
- Replies shall be evaluated against all evaluation criteria set forth in the invitation to negotiate in order to establish a competitive range of replies reasonably susceptible of award. One or more vendors may be selected within the competitive range with which to commence negotiations. After negotiations are conducted, the contract shall be awarded to the responsible and responsive vendor that will provide the best value, based on the selection criteria.
- The contract file for a vendor selected through an invitation to negotiate must contain a short plain statement that explains the basis for the selection of the vendor and that sets forth the vendor's deliverables and price, pursuant to the contract, along with an explanation of how these deliverables and price provide the best value.

Bids or quotes must be evaluated against stated requirements by assigned evaluators. Evaluators



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shall be identified by the Project Lead. The Contracts team will serve as ex-officio staff support for all associated meetings. Evaluations should result in numeric scores by each evaluator, for each qualified respondent. EFI is not required to select the low-cost provider, but justification must be provided for not doing so.

If multiple bids or quotes are solicited but only one is received, EFI must evaluate the response and investigate the reason that only one bid was received. If it is determined that it would neither be feasible nor in the best interest of the company to pursue a second call for bids, the Project Lead must document the findings and rationale for the selection of the single bidder.

IV. Corporate Card

Enterprise Florida's corporate card program allows eligible payments to be processed by employees conducting official business. EFI's corporate card is not a benefit of employment, nor is it guaranteed. The card is a tool to support EFI's mission and efficient operations. In addition, the card is designed to assist cardholders in fulfilling the responsibilities of their positions. The issuance and use of a corporate card is a privilege and may be revoked at any time for any reason. Misuse of a corporate card and/or failure to follow applicable policies, procedures, and laws, may be grounds for disciplinary action up to, and including, termination of employment, as well as legal action.

Employees may, with approval, be eligible for a card if their position responsibilities include the need to travel at least 4 times per year and/or regularly purchase supplies, good, and/or services on behalf of EFI. SVPs may establish additional criteria for eligibility with the approval of the Controller and/or SVPA. Requests for a corporate card must originate from an employee's supervisor, be approved by their SVP (if not the requestor) and approved by the Controller and/or SVPA.

Corporate card's must be utilized for the sole benefit of EFI and may not be utilized for personal purchases and gain. Allowable business and travel purchases are permitted within the confines of any applicable policy, procedure, law, and/or spending limit. Purchases must fit within the cardholder's budget unless otherwise approved. When an employee utilizes a corporate card for a personal and/or unallowable purchase, they are responsible for paying for the charge directly (if possible) or reimbursing EFI within 21 days of the applicable statement closing date. EFI reserves the right to obtain reimbursement via the cardholder's payroll if reimbursement is not received within 21 days.

Cardholders are responsible for managing their card. This includes, but is not limited to, card security, compliance, submitting receipts and reports, communicating card issues, and spending within their available budget(s). Card expenses must be reconciled, approved, and submitted with required receipts within 10 business days of the transaction, travel end-date, or event end-date. Cardholders have 3 business days after month-end to submit all required information. It is the cardholder and approver's responsibility to review all transactions for accuracy, appropriate business purpose, required documentation and sign-off on all card transactions within the required timeframes.

Miscellaneous Card Policies

- A. When an employee is issued a self-paid corporate card (cards in which employees pay the statement and receive reimbursement for allowed expenses from EFI), they are responsible for paying the statement in full each month. All corporate card bills are due and payable upon receipt. Extended payments will not be allowed and employees may



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not be reimbursed for late and/or finance charges. Annual membership fees for these cards will be reimbursed.

- B. Sponsorships should not be paid with an employee's EFI Credit card. Prepare a Payment Request for accounting to process via a check or the EFI corporate card.
- C. Hotel room block deposits or final payments should be paid with the EFI corporate card through accounting using the Payment Request Form.
- D. The Administration division is authorized to establish and/or alter card programs to meet the needs of the EFI community so long as they are compliant and beneficial to EFI.

V. Contracts

Contracts are agreements between Enterprise Florida and potential partners/external vendors. In general, these agreements offer something to EFI in consideration for payment, or other resource, from EFI. Contracts create a commitment for EFI's resources and generally obligate EFI to certain responsibilities. As such, it is the policy of EFI that all contracts must be reviewed and approved by various employees before a contract can be signed. Only contracts signed by an authorized signatory are considered valid. Once signed, it is our policy to track and manage contracts and purchases through their lifecycles. For the purposes of this policy, contract lifecycle includes the negotiations, review, approval, tracking, ongoing review and compliance, communication, renewal, and cancellation processes. Employees associated with a specific contract or purchase are part of the contract lifecycle, however, the Contracts team has primary responsibility for managing all aspects of the contract lifecycle as well as the formal purchasing/bid process.

A. Contracts Team

The Contracts Team/Department is a unit of the Administration division charged with coordinating contracts and competitive selection processes as well as ensuring compliance with relevant laws and agreements. Internal requestors (the EFI team member coordinating an initiative/purchase that will require a contract) are responsible for ensuring a potential contract meets the needs associated with the initiative/purchase. Once satisfied, the contract is reviewed by the Division's SVP (if the internal requestor is not the SVP). If the SVP approves of the contract, the contract is forwarded to the Contracts Team.

The Contracts Team has the following responsibilities:

1. Reviews the agreement for compliance and works with the vendor and/or internal requestor to make required modifications.
 - a. The Contracts is responsible for engages the General Counsel and/or SVPA for assistance
2. When required, and simultaneous with the legal/terms review, routes the contract to departments that must review and approve.
 - i. The Contracts team routes all new agreements, agreement changes, and renewals to the General Counsel for review, feedback, and approval.
3. Routes the contract (simultaneous with the legal/terms review) to Finance for budget review and approval.
4. Communicates all denials with the SVPA and internal requestor.
5. Keeps the internal requestor informed of the agreement's status, and provides internal reminders.
6. Forwards approved agreements to the appropriate signatory when an agreement is ready to be



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7. Collects and manages all contract documentation.
8. Coordinates and updates a contracts database that includes, but is not limited to, vendor name and contact, internal EFI contact, department associated with the contract, contract value, renewal date, and deadline to provide cancellation notice.
9. Tracks agreement renewals and initiates internal communications regarding renewal decisions at least 30 days prior to the cancellation and/or renewal deadline.
10. Develops and updates contracts and formal purchasing procedures consistent with this policy, including flow charts.
11. Ensures compliance with all agreements with state organizations, applicable laws and regulations, as well as reporting requirements.

B. Contract Term

The term of a contract is established within the contract and may be renewed at EFI's discretion for additional terms without a public bid request process. Any contract other than Administered Agreement contracts and joint venture contracts will be open for bid at the end of the term of the contract, if EFI elects to continue purchasing the goods or services on an on-going basis. All contracts must include: ***"EFI's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature" and other requirements included in the EFI/DEO contract."***

The effective date will be upon final execution (signing) of the contract by EFI, unless defined otherwise in the contract. Contract payments will not be made on any activities or services performed prior to the execution date of the contract. Payments will only be authorized for activities that were completed between the effective date and the termination date of a contract. All payment requests must be approved before they are submitted to Accounting. Accounting will process payments to the vendor(s) once the funding has been received from the state for all applicable contracts.

VI. PROCEDURE(S)

The administration division is authorized to establish, update, and communicate all procedures and workflows associated with this policy. Procedures and workflows may not conflict with this policy. Should a conflict occur, this policy controls.