

City of South Daytona

Office of the City Manager

1672 S. Ridgewood Avenue • South Daytona, FL 32119 • 386/322-3014



MEMORANDUM

To: James L. Gillis Jr., City Manager
From: Becky Witte, Deputy City Clerk
Re: Consideration of approving Ordinance No. 2026-01 amending Chapter 2, Article IV of the City Code as presented.
Date: January 14, 2026

City staff conducts an annual review of the City's purchasing and procurement ordinances to ensure continued compliance with applicable laws, alignment with procurement best practices, and the promotion of transparency, fairness, and fiscal responsibility. As a result of this review, staff recommends amendments to Chapter 2, Article IV, Purchases, Sales and Contracts, of the City Code to clarify procedures, update exemptions, and strengthen bid protest processes.

The proposed Ordinance amends Section 2-140, Exemptions to Written Quotes and Formal Bid Solicitations, by clarifying the City's authority to utilize cooperative purchasing agreements with national purchasing cooperatives such as Sourcewell.

A cooperative purchase is an arrangement for acquiring goods or services that involve aggregating demand in an effort to obtain a more favorable price. If Farmer Tom buys a single tractor, he more than likely will pay full price. If Farmer Bob buys ten tractors, chances are he will get a discount for the bulk purchase. Now imagine Farmer Bob not being an individual but a conglomorate of municipalities all purchasing the same tractor. These municipalities will each enjoy a discounted price due to the overall bulk purchase. That is essentially a cooperative purchase.

Sourcewell is a public agency established under the laws of the State of Minnesota that is authorized to provide cooperative purchasing solutions to municipalities. Vendors submit prices for goods to Sourcewell knowing that the opportunity exists for mass nationwide purchase and as a result can submit a lower price given the potential sales. Many municipalities utilize Sourcewell throughout the country. We have utilized Sourcewell in the past and we want to clarify our usage of this tool by adding language to our purchasing ordinance specifically naming this widely-used cooperative purchasing tool. Cooperative purchases exceeding \$25,000 will still require City Council approval, and expired cooperative contracts are not eligible for use.

In addition, for any sole-source purchase with an estimated value that exceeds \$25,000, the Ordinance requires advance electronic posting on the City's procurement website for a minimum of seven business days prior to the City Council meeting at which approval is

requested. This posting must invite potential vendors to submit information regarding their ability to provide the specified goods or services.

The Ordinance further amends Section 2-141, Bid Protest Procedures, to clarify that a bid protest meeting may be conducted in person, virtually, or by telephone at the discretion of the Finance Director.

Staff believes these amendments reflect current procurement best practices, enhance transparency, and provide clearer guidance to staff and vendors while preserving the City Council's oversight role.

Staff recommends that the City Council approve Ordinance No. 2026-01 amending Chapter 2, Article IV of the City Code as presented.

ORDINANCE NO. 2026-01

AN ORDINANCE OF THE CITY OF SOUTH DAYTONA, FLORIDA, AMENDING CHAPTER 2, ARTICLE IV, PURCHASES SALES AND CONTRACTS, MODIFYING SEC. 2-140. EXEMPTIONS TO WRITTEN QUOTES AND FORMAL BID SOLICITATIONS, AND SEC. 2-141. BID PROTEST PROCEDURES; PROVIDING FOR CODIFICATION, CONFLICTS, SEVERABILITY, APPLICABILITY, AND AN EFFECTIVE DATE.

WHEREAS, the overall goal of the City's purchasing and procurement policies shall be to provide the most appropriate quality of goods and services needed by the City at the least total public expense considering, as a minimum, initial cost, operating, and maintenance cost, and estimated useful life; and

WHEREAS, it is the desire of the City Council of the City of South Daytona to continue to provide the most cost-effective purchases in the competitive marketplace, as well as ensure fairness and impartiality in the City's dealings with vendors; and

WHEREAS, the City of South Daytona City Council finds to stay current with procurement best practices while maintaining transparency and sound purchasing, it is in the best interest to modify Chapter 2, Article IV as stated herein; and

WHEREAS, for purposes of this Ordinance, underlined type shall constitute additions to the original text, *** shall constitute ellipses to the original text and ~~striketrough~~ shall constitute deletions to the original text.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH DAYTONA, VOLUSIA COUNTY, FLORIDA THAT:

SECTION 1. Recitals. The above recitals are true and correct and are incorporated herein by reference.

SECTION 2. Adoption. The City Council of the City of South Daytona hereby amends Code of Ordinances Chapter 2, Article IV as follows:

ARTICLE IV. PURCHASES, SALES AND CONTRACT

Sec. 2-140. Exemptions to written quotes and formal bid solicitations.

- b) Cooperative purchasing is a procedure of procuring goods or services without the formal bid solicitation process by means of utilizing the business terms of another competitively solicited government contract.
 - (1) The city may forego the formal bid solicitation process by cooperative purchase. The award will be in accordance with all the terms and conditions, prices, time frames, and other criteria as included in the cooperating contract. The City will enter a separate contract with the vendor referencing the terms of the cooperative contract. Expired contracts are not eligible.

- (2) Goods and services offered by State of Florida Contract pricing, U.S. General Services Administration (GSA), National Purchasing Cooperatives (including Sourcewell), and the National Association of State Procurement Officials (NASPO) are considered to be competitively bid and to have satisfied the requirements of competitive bidding.
- (3) Cooperative purchases in excess of twenty-five thousand dollars (\$25,000.00) must be approved by city council.

- (d) *Sole proprietary source.* Sole proprietary source purchasing is when there is only one (1) person or entity that can provide the goods and/or services needed because of the specialized or unique characteristics of the goods and/or services.
 - (1) The following criteria must be met in order to procure goods and services that are a sole proprietary source.
 - a. It is the only item that will produce the desired results (or fulfill the specific need) and,
 - b. The item is available from only one (1) source of supply, or
 - c. The item is available from more than one (1) vendor, but due to other circumstances (such as exclusive sales territory by manufacturer, prohibitive delivery time and cost, etc.), only one (1) vendor is suited to provide the goods or services.
 - (2) Any purchase of goods and/or services with an estimated value greater than ~~or equal to thirty thousand dollars (\$30,000.00)~~ twenty five thousand dollars (\$25,000) that is intended to be purchased from a sole source, must be electronically posted for seven (7) business days on the city's procurement website prior to city council meeting where the purchase is scheduled for approval. The notice must include a request that potential vendors provide information regarding their ability to supply the goods and/or services described.
 - (3) The request for sole source purchases shall set forth the purpose and need, an explanation why the item will exclusively produce the desired results (or fulfill the specific need) and the criteria. Compatibility to existing equipment shall be an acceptable justification for this exemption, provided the item is only available from a sole source of supply. The department head is responsible for providing this documentation to the finance department.

Sec. 2-141. Bid protest procedures.

In any case where a bidder wishes to protest either the results of or intended disposition of any bid, the following action is required:

- (1) The bidder shall submit a formal written protest to the city manager forty-eight (48) hours after the posting of the notice of decision or intended decision as set forth on a city council agenda item. With respect to a protest of the terms, conditions and specifications contained in a solicitation, including any provisions governing the methods for ranking bids, bids, or replies, awarding contracts, reserving rights of further negotiation, or modifying or amending any contract, the notice of protest shall be filed in writing within forty-eight (48) hours after the posting of the solicitation.
- (2) The formal written protest shall state with particularity the facts and law upon which the protest is based.
- (3) Failure to submit a formal written protest shall constitute a waiver of proceedings.

- (4) Upon receipt of the formal written protest that has been timely filed, the city shall stop the solicitation or contract award process until the subject of the protest is resolved by final city action. However, the city may continue the solicitation or award process, provided the city manager sets forth in writing particular facts and circumstances, which require the continuance of the solicitation or contract award process without delay, in order to avoid an immediate and serious danger to the public health, safety or welfare. The city will resolve the protest in the following manner:
- a. As soon as possible after receipt, the finance director shall provide written bid protest to the city manager, city attorney, department head involved, and supervisor directly involved in the acquisition.
 - b. The finance director shall schedule within seven (7) business days, excluding weekends and holidays a meeting with the above-mentioned individuals or designee and protestor. This meeting may be conducted in person, virtually, or by telephone at the discretion of the finance director. The intent of the meeting is to provide a review and/or solution prior to going before council. After reviewing all relevant information, the city manager shall render a decision.
 - c. If the protester disagrees, he may appeal to the city council at a formal council meeting. After reviewing the evidence, the city council will issue their decision. The city council's decision is final; however, the protester can appeal the administrative decision to the Circuit Court in Volusia County, Florida within thirty (30) days of the city council's final decision. Decisions at all levels shall be in writing to the protestor.

SECTION 3. Administrative Actions. The City Manager, or designee, is hereby authorized and directed to implement the provisions of this Ordinance and to take any and all necessary administrative actions to include, but not be limited to, the adoption of administrative forms, policies, procedures, processes and rules.

SECTION 4. Codification. The provisions of this Ordinance, including its recitals, shall become and be made a part of the City of South Daytona Code of Ordinances and the Sections of this Ordinance may be re-numbered or re-lettered to accomplish such intention and the word "Ordinance", or similar words, may be changed to "Section," "Article", or other appropriate word; provided, however, that Sections 1, 3, 4, 5, 6, and 7 shall not be codified. The Code codifier is granted liberal authority to codify the provisions of this Ordinance.

SECTION 5. Conflicts. All ordinances or parts thereof in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 6. Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance, or application hereof, is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion or application shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 7. Effective Date. This Ordinance shall take effect immediately upon enactment.

APPROVED upon first reading on the 10th day of February, 2026 at a regular meeting of the City Council of the City of South Daytona.

APPROVED AND ADOPTED upon second and final reading on the 10th day of March, 2026 at the regular meeting of the City of South Daytona City Council.

CITY OF SOUTH DAYTONA:

ATTEST:

William C. Hall, Mayor

James L. Gillis, Jr., City Manager

CERTIFIED AS TO FORM:

Wade C. Vose, City Attorney

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