

VILLAGES OF WESTPORT COMMUNITY DEVELOPMENT DISTRICT
Policy Relating to Spending Authority and Procurement of Good and Services

1.0 PURPOSE OF POLICY.

- 1.1** This Policy for Spending Authority and Procurement of Goods and Services (“**Policy**”) is designed to establish clear standards delineating the authority of certain contractors and employees of the Villages of Westport Community Development District (the “**District**”), specifically the District Manager and Field Operations Manager, to enter into certain contracts or purchase orders for goods or services on behalf of the District. This policy is further designed to establish uniform procedures for the informal procurement of goods and services that are under the statutory threshold for formal public procurement under Florida law. Please refer to the District Rules of Procedure for the processes required when purchases exceed the public procurement threshold.
- 1.2** The fundamental purpose of this policy is not to restrict the effectiveness of the individuals involved in the day to day activities related to the procurement of goods and services, but to provide a sound foundation for effective, consistent and fair procurement practices and ensure fiscal responsibility, accountability and consistency. This Policy applies to the pre-authorization of funds and procurement of goods and services as provided for hereunder; the District Board of Supervisors are not required in any instance to sign checks, the authority for check signature rests with the District Manager and other individuals authorized pursuant to District Resolution.
- 1.3** Any and all questions regarding this Policy should be directed to the District Manager or District Counsel.

2.0 DEFINITIONS.

- 2.1** *Emergency.* A sudden or unexpected situation, event, or circumstance negatively impacting or impairing the health, safety, and welfare of the District’s residents; or an unexpected failure of a District physical asset that significantly impacts the general operation, integrity or function of the District’s operations. Examples of an Emergency include, but are in no way limited to: acts of God; riot; fires; floods; hurricanes; accidents; structural, electrical or chemical failure of a District facility; or other similar circumstances.
- 2.2** *Emergency Approval.* An approval of an Emergency Contract or Purchase Order (defined herein) by the District Manager or Field Operations Manager on behalf of the District, when an Emergency Authorization (defined herein) authorizes the District Manager or Field Operations Manager to approve such Emergency Contract or Purchase Order.
- 2.3** *Emergency Authorization.* A written authorization of the Chairperson of the Board (“**Chairperson**”), or another representative of the Board as provided in this Policy, authorizing the District Manager or Field Operations Manager to approve an Emergency Contract or Purchase Order (defined herein). The Emergency Authorization should contain the following minimum information, collected by the District Manager: a declaration that an Emergency exists; the reasons supporting such a declaration; the Emergency Contract or Purchase Order that the District Manager or Field Operations Manager expects to approve and a statement certifying that such goods or services will address the Emergency; the expected cost of the Emergency Contract or Purchase Order; language stating that the signing representative of the Board approves the information in such Emergency

Authorization; and a statement that any expenses resulting from the District entering into the Emergency Contract or Purchase Order shall be presented to the Board for ratification at the next Board meeting.

- 2.4 *Emergency Contract or Purchase Order.* A contract or purchase order for goods or services entered into to address an Emergency that otherwise exceeds the approval authority set forth in this Policy.

3.0 DISTRICT MANAGER APPROVAL AUTHORITY.

- 3.1 Per Florida law, the District Manager shall have charge and supervision of the District's works, and bear responsibility for preserving and maintaining any improvement or facility that is constructed or erected pursuant to Chapter 190, *Florida Statutes*; for operating and maintaining District-owned equipment; and for performing such other duties as are prescribed by the Board.
- 3.2 The District Manager has the authority to approve a contract or purchase order for goods or services on behalf of the District if the cost of such contract or purchase order is less than or equal to Ten Thousand Dollars and No Cents (\$10,000.00), and the District Manager is authorized to sign such contract or purchase order on behalf of the District.
- 3.3 Purchases that are recurring purchases or services approved by the Board at a public meeting need not come back to the Board unless and until the terms of the contract for such purchase expires or requires formal Board renewal or action.
- 3.4 If the cost of a contract or purchase order for goods or services exceeds Ten Thousand Dollars and No Cents (\$10,000.00), or for purchases that are recurring purchases or services that would, when combined, exceed Ten Thousand Dollars and No Cents (\$10,000.00), the Board must approve such contract or purchase order at a public meeting, except as specified herein.

4.0 DISTRICT COUNSEL APPROVAL AUTHORITY.

- 4.1 This policy is in no way intended to repeal, diminish or otherwise conflict with Resolution 2004-12, which Resolution provides for the legal support and legal defense of the District, Board of Supervisors and District Staff. The provisions of that Resolution remain in full force and effect. This policy is intended to cover legal actions that are not covered by that Resolution.
- 4.2 Due to unique nature of any given legal proceeding or legal situation, a specific approval threshold is not provided for so as not to limit the District's ability to affirmatively defend itself against actual or potential claims. The Board may, however, at any time during a public meeting budget, delay, or cease legal proceedings or legal actions by affirmative vote as the policy setting body with fiduciary responsibility to the District. The Board will be advised of any potential legal implications and risks of such action for consideration prior to voting.
- 4.3 Outside normal day to day operational considerations in which the District's Counsel participates (including but not limited to meeting attendance, drafting of routine agreements, counsel on policy or legal decisions in the normal course or other similar circumstances), any agreement for legal services, representation, or outside counsel must

be signed by the Chair or Vice Chair to be deemed duly executed. Due to the urgent, confidential, or exempt matter of legal issues, or so as not to impair the District's legal position or strategy, such contracts/retainers/agreements are not required to be brought for a discussion and vote before the Board so long as the Chair or Vice Chair has signed authorizing such execution. The Board retains full authority to be apprised of ongoing expenditures and to limit or cease any legal proceeding or legal services by affirmative vote. To that end, District Staff shall update the Board at each Board meeting as to the status of expenditures on legal proceedings entered into pursuant to this policy but shall not be required to discuss items that are confidential or exempt from public disclosure or that would impair the District's legal position.

4.4 Any final judgements, settlements, or dispositions must be approved by the Board.

5.0 FIELD OPERATIONS MANAGER APPROVAL AUTHORITY.

5.1 The Field Operations Manager shall have the authority to approve a contract or purchase order for goods or services on behalf of the District if the cost of such contract or purchase order is less than or equal to Five Thousand Dollars and No Cents (\$5,000.00), and the Field Operations Manager is authorized to sign such contract or purchase order on behalf of the District.

5.2 If the cost of a contract or purchase order for goods or services exceeds Five Thousand Dollars and No Cents (\$5,000.00), or for purchases that are recurring purchases or services that would, when combined, exceed Five Thousand Dollars and No Cents (\$5,000.00), but do not exceed the District Manager's purchasing authority set forth above, the District Manager may approve such expenditure.

6.0 DISTRICT MANAGER AND FIELD OPERATIONS MANAGER'S EMERGENCY APPROVAL AUTHORITY.

6.1 The District Manager and Field Operations Manager, have the discretion to determine whether a situation, event, or circumstance constitutes an Emergency as set forth under this Policy. In the event of an Emergency, staff shall additionally follow the Emergency Notification Policy and Protocols adopted by the Board.

6.2 In the event of an Emergency, the District Manager is in charge of securing an Emergency Authorization, signed by the Chairperson, before an Emergency Approval may be issued. If the Chairperson is unavailable to sign the Emergency Authorization, then the Vice Chairperson may sign. If the Vice Chairperson is unavailable to sign the Emergency Authorization, then another Board Supervisor may sign. The District Manager shall prepare the Emergency Authorization as set forth herein. Following the execution of the Emergency Authorization, the District Manager or Field Operations Manager may make an Emergency Approval of the Emergency Contract or Purchase Order set forth in the Emergency Authorization. Any Emergency Contract or Purchase Order shall be presented to the Board for ratification at the next Board meeting.

6.3 In the event that the District Manager is unable to secure an Emergency Authorization that he or she deems necessary as set forth in this policy, the District agrees to hold the District Manager harmless in the event that such actions are challenged legally as inconsistent with the District Managers statutory duties set forth in Chapter 190, Florida Statutes.

7.0 APPROVAL AUTHORITY OF OTHER DISTRICT CONTRACTORS OR EMPLOYEES.

7.1 Except for the approval authority of the Board, District Manager and Field Operations Manager, as set forth in this Policy and the District's Rules of Procedure, District contractors or employees have no authority to approve or sign a contract or purchase order for goods or services, or a recurring obligation under a contract or purchase order for goods or services, on behalf of the District. Any such approval by such contractor or employee shall constitute an unauthorized approval.

8.0 PROCUREMENT PROCESS FOR PURCHASE OF GOODS AND SERVICES

8.1 To comply with Chapters 190 and 287, Florida Statutes, a District must abide by several procedures if it desires to enter into a contract for the purchase of professional services; insurance; construction; design-build services; goods, supplies, or materials; contractual services; and maintenance services over statutory bid thresholds. Please refer to the District Rules of Procedure for the processes required when purchases exceed the public procurement threshold.

8.2 If the cost of construction will be less than \$461,674.40, the cost of electrical purchases is less than \$115,418.60, and the cost of goods or services will be less than \$195,000, it is appropriate to informally solicit proposals for the work.** These should be written proposals, bid from a standard scope of services or scope of materials. The proposals should be included in the District agenda package and reviewed by the District's Board of Supervisors. The proposals presented to the Board shall be as provided by the proposer(s), in an unaltered format. The Field Operations Manager, as applicable, shall secure, whenever possible, a minimum of three written proposals, which shall be the result of written specifications transmitted by mail, electronic format or by facsimile. In those instances when securing three proposals is not practicable, the Field Operations Manager shall provide written justification of such. When applicable to the proposed project, companies must be properly authorized, licensed and insured to perform the work. The provisions of this section shall apply to purchases that exceed Five Thousand Dollars (\$5,000.00) for a single item or recurring item.

** Note that the threshold amounts identified herein are established by Florida law and are subject to change; the construction and electrical thresholds change each calendar year. Please confer with District Counsel or District Management for up to date numbers.

8.3 Where, for any reason, a proposer is given an opportunity to re-bid on a solicitation, all competing proposers should also be given an equal opportunity to re-bid the requirement. Those conditions in which it is in the District's best interests to allow a re-bid may include changes in requirements or changes in specifications.

8.4 Unless an Emergency exists, as defined in this Policy, or the purchase is under the thresholds set forth in Section 3.0, the District's Board of Supervisors shall pre-approve the proposal at a Board meeting prior to the execution of an agreement. If this pre-approval does not occur, it is possible that the agreement may not be honored by the District. The Field Operations Manager should seek District Counsel's review or drafting of an agreement once the proposal is approved by the Board.

8.5 Once the agreement is in place, provide copies of the executed agreement to the District Manager. The District Manager is the official records custodian of the District.

8.6 For District Capital Improvement Projects authorized by the District’s Board of Supervisors, keep the District Engineer updated on the process of installation or construction. The District Engineer is ultimately responsible for the proper construction and installation of the District’s improvements, so the District Engineer needs to know when construction commences, when inspections are scheduled, etc. Projects designed by other professionals should be inspected by that professional and accepted under terms set forth in agreement with the District.

9.0 POLICY ETHICS.

9.1 All District employees and contractors shall abide by the provisions of Chapter 112, *Florida Statutes*, including Section 112.313, pertaining to standards of conduct for public officers.

9.2 Acceptance of gifts by District employees at any time from contractors or suppliers is prohibited.

9.3 District employees shall not bid for, enter into, or be in any manner interested in any contract for District purchases or public works, nor shall District employees seek to influence the purchase or a product or service from any proposer.

9.4 No contract or purchase shall be subdivided to evade the threshold amounts or other requirements of this Policy or other purchasing policies of the District, including the Rules of Procedure. Purchases, orders, or contracts that are subdivided to circumvent this Policy or other purchasing policies of the District shall be considered unauthorized purchases.

9.5 Any and all offers of employment must be authorized by only the Board, upon the Board’s affirmative vote authorizing the position and accompanying funds, and such offers of employment shall not be made by any entity or person other than the Board. This shall not be construed to prohibit hiring of independent contractors to provide goods or services to the District but rather is meant to prohibit offers of employment without Board authorization.

10.0 ACCOUNTABILITY.

10.1 At the time an agreement or proposal is signed, the agreement or proposal shall be sent to the individual responsible for overseeing the services, who shall monitor the services and confirm that services have been rendered in accordance with the agreement or proposal before payment is made.

10.2 All agreements or proposals signed without prior Board approval shall be placed on the next available agenda for ratification by the Board.

10.3 All Board Supervisors will be collectively informed of all actions taken on behalf of the District outside of a Board meeting.

11.0 SEVERABILITY.

11.1 If any section, paragraph, clause, or provision of this Policy shall be held to be invalid or ineffective for any reason, the remainder of this Policy shall continue in full force and

effect, it being expressly hereby found and declared that the remainder of this Policy would have been adopted despite the invalidity or ineffectiveness of such section, paragraph, clause, or provision.

11.0 INTERPRETATION.

11.1 This Policy shall be interpreted and construed as consistent with Florida law and the District's Rules of Procedure. This Policy shall not be interpreted or construed as restricting, undermining, or contravening the legal authority of the Board or the District.