



Board of County Commissioners
Office of Purchasing
Title: Contracts

Effective Date: 12/20/96 Supersedes Date:

Procedure No: PP-220

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I. Purpose

To establish the structure and content of contracts.

II. Scope

Applies to all contract procurements.

III. Procedure

In accordance with the Escambia County Purchasing Ordinance, all procurements of materials and services are to be obtained using the formal purchase order (see Procedure Pp-040) or the blanket purchase order (see Procedure PP-080).

The provisions of this Ordinance shall apply to every purchase by the Board of County Commissioners from County funds, including state and federal assistance monies, except as otherwise specified by law. All expenditures of County funds will require the issuance of a Purchase Order Contract and be subject to the Bid requirements of this Ordinance with the exception of the following:

1. Agreements between the Board of County Commissioners and non-profit organizations or other governments including the transfer, sale or exchange of goods and/or services.
2. Constitutional officers, specifically the Clerk of the Circuit Court, Sheriff, Supervisor of Elections, Property Appraiser, State Attorney, Public Defender and Tax Collector.
3. Goods and/or services by grant, gift or bequest.
4. Items defined in Section I. E. 19., as direct payment voucher.
5. Payroll and payroll related deductions

The contract types listed below with their major subject content are to be used as appropriate and are to be used as appropriate and are to be issued under a formal purchase order. Any terms and conditions not covered by the formal purchase order are to be included in the contract.



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All contracts shall be reviewed by the County Attorney's Office. The Office of Purchasing utilize the County's Standard Form of Contracts, including but not limited to Construction Paving and Drainage, Consulting, Design & Build, Construction Manager at Risk.

A. Construction

- The Statement of Intent
- Specifications
- Drawings and Schedule
- Buyer to Provide
- Insurance
- Terms
- Warranty
- Responsibility
- Permits
- Licenses
- Inspections
- Subcontractors
- Performance Bonds

B. Lease Agreement for Property

- Leasee and Lessor Identification
- Description of Property
- Location of Property
- Lease Payment
- Terms
- Lease or Warranty

C. Lease Agreement for Equipment

- Description of Equipment
- Terms of Lease Payments
- Purchase or Option Renewal
- Delivery, Maintenance and other Special Charges
- Conditions or Restrictions on Use



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D. On-Call Service

- Identification and Location of Equipment to be Serviced
- Period of Service
- Movement or Modification of Equipment
- Responsibility of Supplier
- Service Charges
- Notice and Response to Notice

E. Professional Services

- Party's Identification
- Services to be Rendered
- Inventions
- Proprietary Information
- Consultant's Representation
- Period of Agreement

F. Real Estate

- Notice of Pending Forfeiture for Cancellation of Contract
- Declaration of Forfeiture and Cancellation of Contract
- Warranty Fulfillment Deed
- Quit Claim Deed
- Purchaser's Assignment of Contract and Deed
- Deed and Seller's Assignment of Real Estate Contract
- Exclusive Sale and Listing Agreement
- Earnest Money Provisions
- Escrow Instructions for Seller
- Escrow Instructions for Buyer

G. Subcontract

- Scope of Work
- Period of Performance
- Estimated Cost and Expenditure Limitation
- Allowable Cost and Payment
- Budget
- Buyer's Program Director
- Contractor's Principal Investigator
- Technical Reports



IV. Checklist Guidelines for the Preparation of Contracts

NOTE: The Office of Purchasing utilizes the Uniform Contract Format Operations Manual for solicitations and contract formation.

A. The Necessity for a Contract and its Completeness

1. Is it necessary to have a contract?
 - a) Does it lower our cost?
 - b) Does it reduce our inventory?
 - c) Does it assure us of delivery in case of shortages?
 - d) Is it with the manufacturer or the distributor?
 - e) What are the disadvantages of not having a contract?
2. Have negotiations been completed?
3. Are the essential elements of the contract settled?
4. Is there a chance of vagueness or ambiguity in terms or language of the contract?
5. Are the contracting parties, their agents or representatives competent and authorized to bind the company?

B. Description of Goods and Services

1. Is the material, equipment or service clearly described in writing in the:
 - a) Blueprints
 - b) Specifications
 - c) Purchase order
 - d) Other written memorandum



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2. Are the specifications complete?
3. Is the quantity clearly defined?
4. Are there any limitations on quantity per period of time?
5. Will the supplier furnish drawings? If so, are such drawings subject to buyer's approval?
6. Will the supplier install equipment? If so, is the charge satisfactory?
7. What services will the supplier furnish, such as training in usage and maintenance of equipment, instruction manuals, parts manuals, etc.?

C. Price and Payment Terms

1. What is the initial purchase price?
2. Is the price definite? If not, is the method for ascertaining the price clear?
3. Is the price subject to adjustment?
 - a) Does price adjustment work both ways?
 - b) Is adjustment limited to change in price?
 - c) Is the date of price basis stated?
 - d) What is the length of time for advance notification of price adjustment?
 - e) Is there an escape clause on price increases?
 - f) Is there an escape clause when a supplier's competitor quotes lower prices and the present supplier is unable to meet them?
4. Is the payment schedule satisfactory?
5. Are the cash terms satisfactory?
6. Does the contract lend itself to price/cost analysis?



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D. Packaging, Delivery and Insurance Factors

1. Is the delivery schedule satisfactory?
2. Are the "times for delivery" terms definite? (Does "reasonable time," in particular circumstances, have a certain meaning according to prior dealings or practices between the Buyer and Seller?)
3. Is the mode of delivery satisfactory?
4. Is the packaging satisfactory?
5. Who bears the risk of loss if it occurs before delivery to the Buyer?

E. Time and Termination Factors

1. What period of times does the contract cover? (one, two, three years?)
2. Are the provisions for termination by either party clearly stated and satisfactory?
3. Are there clauses pertaining to thirty-, sixty-, ninety-day advance notice, prior to termination date, that the contract will not be renewed? (If not, are we subjected to automatic renewal for a specified period of time? If so, these should be avoided.)

F. Performance Guarantees and Warranties of Quality

1. Would it be advisable to insert a liquidated damages clause?
2. Would it be advisable to ask for a performance bond?
3. Would it be advisable to get a Dun and Bradstreet report on the supplier?
4. Is the Buyer protected against negligence of the supplier's employees?



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5. Is the supplier's insurance protection adequate? (Will he furnish a Certificate of Insurance?)
7. Does the supplier guarantee performance?
8. Does the supplier guarantee quality?
9. Does the supplier guarantee the equipment for at least one year from start-up date against defects of design, materials, workmanship, etc.?
10. Are inspection, test and engineering requirements fully understood by both parties?
11. Is there an express written warranty by the Seller that the goods will conform to the description, promise, model or sample?
12. Are there any provisions for cancellations or cure if the goods do not meet the specifications?
13. Does the written contract contain clauses by the Seller limiting or modifying Seller's warranties?
14. Does the contract provide for a percentage of rejection, or for tolerances or variances?

G. Legal Requirements

1. Does the contract meet all legal requirements?
 - a) Federal, state or local laws.
 - b) Ethical and/or business standards of practice.
 - c) ICC regulations.
 - d) FTC regulations.
2. Does the patent protection appear adequate?