ORDINANCE NO._____

AN ORDINANCE OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AMENDING CHAPTER. 2. *ADMINISTRATION*. OF THE CODE OF ORDINANCES OF THE CITY OF KEY WEST, FLORIDA TO ADJUST THE PURCHASING PROCESS FOR SUPPLIES AND SERVICES NECESSARY FOR THE EFFECTIVE OPERATION OF THE CITY GOVERNMENT AND HEREBY AMENDING SEC. 2-554(b)(4)AND (5) TO ADJUST THE REQUIREMENT FOR CITY COMMISSION APPROVAL OF EXPENDITURES AND BUDGET TRANSFERS WITHIN KEY WEST BIGHT TO $100,000.00; AMENDING SEC. 2-737(b). AND 2-738(a) TO CLEARLY DEFINE CITY MANAGER AUTHORITY IN BOTH SECTIONS; AMENDING SEC. 2-739(b) ADDING FINANCE DIRECTOR AUTHORITY TO EFFECT TRANSFERS AND FUND INCREASES IN AN AMOUNT NOT TO EXCEED $50,000.00 AND INCREASING THE CITY MANAGER'S AUTHORITY TO EFFECT TRANSFERS AND FUND INCREASES IN AN AMOUNT NOT TO EXCEED $100,000.00; AMENDING SEC. 2-766. ADDING A DEFINITION FOR "SMALL PURCHASES"; AMENDING SEC. 2-771(3)TO ADJUST NOT TO EXCEED, ESTIMATED VALUE OR TOTAL COST AMOUNTS; CREATING SEC. 2-771(4) CLARIFYING PROCESSES, AUTHORITIES AND REQUIRED APPROVALS AND AMOUNTS FOR SMALL PURCHASES OF COMMODITIES AND CONTRACTUAL SERVICES; AMENDING SEC. 2-772. DESIGNATING AUTHORITY AND PROCESSES FOR THE SALE, TRADE OR DISPOSAL OF CITY PROPERTY/ASSETS; AMENDING SEC. 2-796 THROUGH 2-845. TO ADJUST THE REQUIREMENT AMOUNT FOR CITY COMMISSION APPROVAL OF EXPENDITURES AND ADJUST THE NOT TO EXCEED AND ESTIMATED TOTAL COST AMOUNT; AMENDING SEC. 2-800 TO PROVIDE FOR QUARTERLY REPORTING OF PURCHASES FROM $25,000.00 TO $100,000.00; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF INCONSISTENT PROVISIONS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Key West finds that it is necessary to amend its purchasing and procurement ordinances in order to reflect current market costs and conditions for supplies and services, and to facilitate purchasing required by various City departments in an efficient manner; and

WHEREAS, amendments to the purchasing ordinances will expedite purchasing without diminishing the authority of the

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City Commission to approve large dollar goods and services; and

WHEREAS, these amendments to the purchasing and procurement regulations in the Code of Ordinances will promote the health, safety and welfare of the citizens and visitors of the City of Key West.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA AS FOLLOWS:

Section 1: That Sec. 2-554(b)(4) and (5) of Section 2-554. *Powers and duties; responsibility of city.*, Division 10. *Key West Bight Management Board.*, Article V. *Committees, Boards and Commissions.*, Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-554(b)(4) and (5):
(4) The expenditure of funds in excess of ~~$50,000.00~~. $100,000.00.
(5) Transfers of funds from one budget category to another in excess of ~~$50,000.00~~ $100,000.00."

Section 2: That Sections 2-737(b). of Section 2-737 *Organization*. Division 2. *Budget.,* Article VII. Financial Matters., Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows:**:

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"Sec. 2-737.(b):

(b) Funds may be established or deleted from time to time by the city manager as ~~he deems~~ deemed necessary and proper."

Section 3: That Sections 2-738 (a). of Section 2-738.- *Process.,* Division 2. *Budget.,* Article VII. Financial Matters., Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows:**:

"Sec. 2-738.(a):

(a) City budgets shall be prepared, reviewed and approved in accordance with statutory requirements, including F.S. ch. 200 regarding millage determinations. The city manager shall prepare each budget on a fiscal-year basis. ~~He~~ The City Manager shall prepare and present to the city commission a balanced budget."

Section 4: That Sections 2-739 (b). of Section 2-739.- *Management.,* Division 2. *Budget.,* Article VII. Financial Matters., Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows:**:

"Sec. 2-739.(b):

(b) The city manager may effect transfers within a category or within a fund without limit, provided that the fund remains in balance.
The Director of Finance may effect transfers among categories not to exceed $50,000.00, provided that the fund remains in balance. The city manager may effect transfers among categories not to exceed ~~$50,000.00~~ $100,000.00, provided that the fund remains in balance. Transfers among categories in excess of ~~$50,000.00~~ $100,000.00 must be approved

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by the city commission. The Director of Finance may effect increases to a fund in an amount not to exceed $50,000.00. The city manager may effect increases to a fund in an amount not to exceed ~~$50,000.00~~ $100,000.00. Increases in excess of ~~$50,000.00~~ $100,000.00 must be approved by the city commission."

Section 5: That Sections 2-766. *Definitions.* of Subdivision I.-*In General.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to add a definition for "*Small Purchase*" to the definitions found in Sec. 2-766. to read as follows**:

"Sec. 2-766. *Definitions.*:

"*Small Purchase* means any procurement not exceeding $100,000.00 for goods and services or construction."

Section 6: That Section 2-771(3), Section 2-771.-*Authority of Purchasing Agent.*, Subdivision I.-*In General.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-771(3):

(3) Purchase commodities and contractual services and award contracts and execute agreements for small purchases without prior approval of the city commission as follows:

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a. *Small purchases.* Any commodities purchase or contract not exceeding ~~$50,000.00~~ $100,000.00 may be made in accordance with the small purchase procedures authorized in this section; provided that a purchase order has been obtained. Contracts for construction of municipal public works shall be made in accordance with applicable state laws including F.S. §180.24, as amended from time to time. Contracts or other purchases shall not be artificially divided in order to constitute a small purchase under this section.

1. Small purchases of commodities and contractual services when the estimated value is ~~$1,000.00~~ $5,000.00 or less may be made upon receipt of one documented written quote and approval of the department director and purchasing agent.

2. Purchases of commodities and contractual services when the estimated value is between ~~$1,000.01~~ $5,000.01 and ~~$5,000.00~~ $25,000.00 may be made upon receipt of not less than two written documented quotes, and the approval of the department director, purchasing agent and the Director of Finance. In order to determine a fair and reasonable price, additional quotes may be solicited. The purchasing agent shall adopt, implement and enforce operational procedures for making such small purchases. Such operational procedures shall provide for the goods, commodities, equipment, materials and services being purchased. Further, such operational procedures shall require the preparation and maintenance of written records adequate to document the competition obtained, properly account for the funds expended and facilitate an audit of the small purchase made. Such records shall include the name of the business, contact person, dates of inquiry, nature and description of service

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for which inquiry is being made and amounts quoted with exactly what will be provided for such amount. When fewer than two quotes are available, the department head requesting the purchase must provide written approval to be reviewed and authorized by the purchasing agent and the Director of Finance.

3. Small purchases of commodities and contractual services when the estimated value is between ~~$5,000.01~~ $25,000.00 and $50,000.00 may be made upon receipt of not less than three written documented quotes, and approval of the department director, purchasing agent and the director of finance. In order to determine a fair and reasonable price, additional quotes may be solicited. The purchasing agent shall adopt, implement and enforce operational procedures for making such small purchases. Such operational procedures shall provide for the goods, commodities, equipment, materials and services being purchased. Further, such operational procedures shall require the preparation and maintenance of written records adequate to document the competition obtained, properly account for the funds expended and facilitate an audit of the small purchase made. Such records shall include the name of the business, contact person, dates of inquiry, nature and description of service for which inquiry is being made and amounts quoted with exactly what will be provided for such amount. When fewer than three quotes are available, the department director requesting the purchase must provide written approval to be reviewed and authorized by the city manager.

4. Small purchases of commodities and contractual services when the estimated value is between $50,000.01 and $100,000.00 may be made upon receipt of not less than

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three written documented quotes, and approval of the department director, purchasing agent, the Director of Finance, and the City Manager. In order to determine a fair and reasonable price, additional quotes may be solicited. The purchasing agent shall adopt, implement and enforce operational procedures for making such small purchases. Such operational procedures shall provide for the goods, commodities, equipment, materials and services being purchased. Further, such operational procedures shall require the preparation and maintenance of written records adequate to document the competition obtained, properly account for the funds expended and facilitate an audit of the small purchase made. Such records shall include the name of the business, contact person, dates of inquiry, nature and description of service for which inquiry is being made and amounts quoted with exactly what will be provided for such amount. These purchases, when deemed necessary by the City Attorney, shall require a written contract. Such contract, including required insurance and related documents, shall be reviewed and approved as to form and legality by the City Attorney and executed by the City Manager.

b. All purchases and awards of contracts in excess of ~~$50,000.00~~ $100,000.00 must be competitively bid per sections 2-796 and 2-826 through 2-844.

c. Change orders associated with small purchases of commodities or contractual services may be approved and executed in an amount not to exceed $10,000.00 or ten (10) percent of the original purchase price, whichever is less, according to the signatory provided in Section 2-771(3)a. ~~The city manager shall have the authority to sell, trade or otherwise dispose of surplus and obsolete personal property belonging to the city~~

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~~either by sale, barter or exchange or by sealed bid, public auction, cannibalization, trade-in or any other means of disposal as may be appropriate and in the best interests of the city. Disposal of surplus or obsolete personal property with acquisition prices in excess of $50,000.00 per item shall be made only after approval by the city commission. In addition, the city manager is directed to promulgate procedures for disposal of items with acquisition prices of $50,000.00 or less.~~"

Section 7: That Section 2-772.- *Authority of City Manager.*, Subdivision I.-*In General.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-772. Authority of City Manager.

Under this division, the City Manager shall have the authority to:

1. ~~Authority to~~ P~~p~~urchase commodities and contractual services and to award and execute contracts as is deemed to be in the public interest is delegated to the city manager under the conditions set forth in this division. The city manager, in accordance with established purchasing guidelines and governed by the requirements of this division, shall have the authority to purchase commodities and contractual services, to award contracts and to execute agreements for the purchases of commodities and contractual services when the estimated total cost thereof does not exceed ~~$50,000.00~~ $100,000.00 without prior approval of the city commission. The city manager's authority under this section shall extend to purchases and awards for the city's

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redevelopment areas.

2. The City Manager shall have the authority to sell, trade, or otherwise dispose of surplus or obsolete personal property belonging to the City by sale, barter, exchange, sealed bid, public auction, cannibalization, trade-in, or any other method of disposal deemed appropriate and in the best interests of the City, provided that either:

   (a) The asset has been fully depreciated and has reached the end of its useful life, or

   (b) The acquisition price of the asset was $100,000.00 or less.

Disposal of assets with an acquisition price in excess of $100,000.00 that have not been fully depreciated shall require approval of the City Commission.

The City Manager is further directed to promulgate procedures governing the disposal of assets with acquisition prices of $100,000.00 or less."

Section 8: That Section 2-796.-*Required.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-796.- *Required*.

"All purchases of commodities and contractual services when the estimated total cost thereof shall exceed ~~$50,000.00~~ $100,000.00 shall be awarded by the city commission through the process of competitive, sealed bidding or competitive request for proposals except as otherwise provided in this division."

Section 9: That Section 2-797(1) *Sole Source*

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Procurement., Section 2-797-*Exemptions.* Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-797(1)c.

c. All sole source procurement where the cost of the commodities or contractual services exceeds ~~$50,000.00~~ $100,000.00 shall be authorized by the city commission."

Section 10: That Section 2-797(2) *Emergency Procurement.*, Section 2-797-*Exemptions.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-797(2).

(2) *Emergency procurement.* The city manager may make emergency procurement of commodities or contractual services where the cost exceeds ~~$50,000.00~~ $100,000.00 when there exists a clear and present threat to public health, property, welfare, safety or other substantial loss to the city, including cases where a natural disaster has occurred, is occurring, or is imminently threatening. However, such emergency procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor or commodity shall be included in the contract file. As soon as practicable, a

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record of the emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, a listing of the commodity or contractual service procured under the contract, and the number of the purchase order, if any. An emergency procurement in excess of ~~$50,000.00~~ $100,000.00 shall be ratified by the city commission at the next scheduled city commission meeting."

Section 11: That Section 2-797(3)c., Section 2-797-*Exemptions.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Sec. 2-797(3)c.

"The city commission authorizes such procurement when the cost of the commodities or contractual services exceeds ~~$50,000.00~~ $100,000.00."

Section 12: That Section 2-799(6), Section 2-799-*Requirements for city contractors to provide equal benefits for domestic partners.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Section 2-799(6):

(6) Covered contract means a contract between the city and a contractor awarded subsequent to the date when this section becomes effective valued at over ~~$50,000.00~~ $100,000.00."

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Section 13: That Section 2-800.- *Quarterly Reporting.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Section 2-800.- *Quarterly Reporting*.

The purchasing agent for the city of Key West shall, on a quarterly basis, provide the City Commission a detailed list of all purchasing requisitions between ~~$20,000.01~~ $25,000.00 and ~~$50,000.00~~ $100,000.00. The list shall include the date of the purchasing requisition, department making the request, vendor of record, description of item(s) purchased and total amount of the purchase."

Section 14: That Section 2-828.- *Bid or proposal security.*, Subdivision II.-*Competitive Bidding.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration.* of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Section 8-828.-Bid or proposal security.
Bid or proposal security shall be required for all city construction projects when the total contract price is estimated by the purchasing agent to exceed ~~$50,000.00~~ $100,000.00. In all other cases, the city reserves the right to require bid or proposal security when deemed necessary by the purchasing agent. Bid or proposal security shall be by cash, by certified or cashier's check, by a bid bond or an irrevocable letter of credit made payable to the city and provided by a surety company authorized to do business as a

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surety in the state in an amount not less than five percent (5%) of the amount of the bid or proposal. The bid or proposal security of unsuccessful bidders or offerors will be returned within a reasonable time after the bid or proposal opening. The bid or proposal security of the successful bidder or offeror will be retained until such bidder or offeror has executed the contract and furnished the required certificate of insurance and payment and performance bonds. If the successful bidder or offeror fails to furnish the required certificate of insurance and payment and performance bonds or fails to execute and deliver the contract to the office of the city clerk within the time specified in the instructions to bidders or offerors, the city may annul the notice of award and the entire sum of the bid or proposal security shall be forfeited."

Section 15: That Section 2-845.(a)- *Change orders.*, Subdivision III.-*Procedures.*, Division 3. *Personal Property Purchasing and Procurement.*, Article VII. *Financial Matters.*, Chapter 2. *Administration*. of the Code of Ordinances of the City of Key West, Florida is hereby amended to read as follows**:

"Section 2-845(a).-Change orders.

(a) Upon the award of any contract for professional services for the construction of any public service building or capital improvement project, or task order pursuant to a general or construction services contract, the city manager shall have the authority to approve change orders without prior city commission action in an amount not to exceed five cumulative percent (5%) of the contract price or ~~$50,000.00~~ $100,000.00 whichever is less. A change order in excess of such limitations shall be approved by the city commission. The cumulative total of all change orders of a project shall be considered in determining

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approval procedures. In an emergency in a construction contract where life, property or city funds are at risk, the city manager may approve a change order in excess of five cumulative percent (5%) of the contract price or ~~$50,000.00~~ $100,000.00. The city manager's approval shall be in writing. The finance department shall issue an amended purchase order. At its next scheduled meeting, the city commission shall ratify by resolution the emergency change order."

Section 16: That should any section, provision, clause, phrase, or application of this ordinance is held invalid or unconstitutional for any reason by any court of competent jurisdiction, the remaining provisions of this ordinance shall be deemed severable therefrom and shall be construed as reasonable and necessary to achieve the lawful purpose of this ordinance.

Section 17: That all Ordinances or parts of Ordinance of the City of Key West, Florida in conflict with the provisions of this Ordinance are hereby superseded to the extent of such conflict.

Section 18. That this Ordinance shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

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Read and passed on first reading by the City Commission at a meeting held this _____ day of _____, 2026.

Read and passed on final reading by the City Commission at a meeting held this _____ day of _____, 2026.

Authenticated by the Presiding Officer and Clerk of the Commission on the _____ day of _____, 2026.

Filed with the Clerk on _____, 2026.

Mayor Danise Henriquez	_____
Vice Mayor Donald "Donie" Lee	_____
Commissioner Lissette Carey	_____
Commissioner Aaron Castillo	_____
Commissioner Monica Haskell	_____
Commissioner Sam Kaufman	_____
Commissioner Greg Veliz	_____

_____
DANISE HENRIQUEZ, MAYOR

ATTEST:

_____
KERI O'BRIEN, City Clerk

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