



*2024 Proposed Revisions*

*to*

*Broward Health's  
Master Procurement Code and Policies*

**To:** Board of Commissioners of the North Broward Hospital District  
**Fr:** Broward Health’s Executive Team  
**Date:** October 4, 2024  
**Re:** Executive Summary – Broward Health’s Procurement Code

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**I. Introduction, Summary, and Legal Background**

The North Broward Hospital District’s enabling legislation, Section 3 of ch. 2006-347, Laws of Florida (the “Charter”), governs the District, the Board of Commissioners (the “Board”), and the District’s operations. Section 24 of the Charter requires the Board to establish a threshold amount via resolution, not to exceed 1.5 mills of the total annual District revenues, for the District’s procurement of supplies, equipment, and materials whereby competitive conditions will be maintained or competitive bids will be solicited via a public advertisement. Section 24 of the Charter likewise permits the Board to waive the competitive solicitation process when it reasonably appears that emergency or unusual conditions exist and compliance with the bidding procedures would be detrimental to the interests of the District.

The Board’s establishment of procedures governing procurement or contracting for services is not unique to the Charter. Various other provisions of Florida law require the Board, via resolution, to establish such procedures. Some examples include § 255.20(1)-(1)(d), Fla. Stat., which governs the procurement of all the District’s construction services and permits the establishment, via resolution, of additional procedures governing the bidding process and entry into various construction contracts. Likewise, § 287.055(9)(a), Fla. Stat., which governs the procurement of design professionals for construction projects, requires that design-build contracts be awarded “in accordance with the procurement laws, rules, and ordinances applicable to the [District].”

Best practices in procurement (especially in the hospital and health care industries) are constantly evolving, and COVID-19 and the resulting supply chain shortages necessitated significant changes to procurement practices. Given the fast-paced environment that the District operates in, it has become evident that the District’s Master Procurement Code would benefit from updates consistent with best practices, thereby allowing the District flexibility to act rapidly in times of urgency without compromising public participation and transparency. The last time the Procurement Code received such an extensive overhaul was at the Board’s October 30, 2019, regular meeting. While there have been several updates over the past five years, it was clear that the Procurement Code would benefit from more improvements. The proposed Business and Procurement Code and the Procurement Code Appendix resulted from the foregoing. This draft was developed based on recurring issues arising in the District’s procurements and following a rigorous review of procurement best practices, other procurement codes of public hospital systems, counties, state agencies, and other taxing districts, as well as the Charter and Florida law. All the proposed changes to the Procurement Code have been made in collaboration between the District’s executives, the Chief Procurement Officer, and the District’s Office of the General Counsel.

## II. Overview of Changes

### A. Master Procurement Code

#### 1. Generally.

A high-level overview of the Procurement Code's proposed general changes are as follows:

- (a) *Name.* The Code's name was changed from the "Master Procurement Code" to "Broward Health's Business and Procurement Code" to better reflect the governing document's purposes.
- (b) *Structural Modifications.* Revisions to the overall structure and order of the Code were made to reflect a logical sequence that makes it easier to follow and find applicable sections.
- (c) *Language Conventions.* General language changes were made throughout the document to improve sentence structure and grammar and make the Code read easier.
- (d) *Definitions.* Terms and definitions were revised to establish terminology consistent with vocabulary used under Florida law.
- (e) *Thresholds for Procurement.* The "Millage Threshold" was established consistent with the Charter, which mandates advertisements and competitive solicitations. The CPO is required to publish this threshold each year following the Board's approval of the District's audited financial statements for the previous fiscal year. Finally, the "Informational Threshold" was removed as it was repetitive of the budgetary process and was not consistent with current practice.
- (f) *Internal Procurement Policies.* The creation of internal policies governing procurements that fall under the Millage Threshold is mandated.
- (g) *Clarifications.* Areas of ambiguity regarding the threshold amounts in previous iterations of the Code were clarified to differentiate between the Spending Threshold for entering into contracts (which is an annual amount) and the Millage Threshold for competitive solicitations which is based on the overall projected amount over each consecutive five-year contract period.
- (h) *General Acquisition Rules.* A section entitled "General Acquisition Matters" was inserted to incorporate procurement best practices.

- (i) *Competitive Solicitation Procedures*. A section entitled “General Guidelines and Procedures Governing the Competitive Solicitation Process” was created to formally codify competitive solicitation rules under Florida law and to incorporate competitive solicitation best practices, including, but not limited to, granting the CPO the authority to extend deadlines for bid submissions when minimal bids are received and to re-award a bid without re-soliciting bids so long as it is within twelve (12) months of the award issuance.
  - (j) *Procurement Guidelines*. A “General Guidelines for Procurements” section has been added to provide further guidance regarding the public bidding process and the roles, responsibilities, and practices of Broward Health during such bids.
  - (k) *Miscellaneous Business Matters*. A “General Business and Purchasing Matters” category was added to the Code, clarifying authority and setting specific standards for all the District’s business matters. These include, without limitation, the CPO’s authority to debar or suspend vendors, the direct payment of purchases through checks, purchase orders, or the use of procurement cards, and references to other business matters governing the District’s affairs promulgated under Florida law or by Board policy.
2. Major Changes.
- (a) *Procurement Steering Committee*. The Procurement Steering Committee was removed from the Code. Over the years, this committee has proven to be a procedural barrier to the District’s procurements. Instead, the District intends to make a “Strategic Procurement Advisory Committee” via internal policy to ensure the necessary safeguards and allow for more efficient and practical decision making.
  - (b) *Competitive Solicitations*. Clarification on when a competitive solicitation should be used is included, and more options were created, such as Invitations to Negotiate and Requests for Information. These changes are all consistent with how state agencies perform their procurements, and the language was largely taken from chapter 287, Florida Statutes.
  - (c) *Bid Protests*. The bid protest section was revised to clarify who has standing to protest, create firm timelines governing disputes, and to require the posting of a protest bond similar to state agencies under Sections 287.042(2)(c) and 120.57(3)(b), Florida Statutes.

- (d) *Code Exemptions*. More categories of exemptions were added to the Code to be consistent with practices from state agencies, counties, and municipalities.
- (e) *Bid Waivers*. The Bid Waivers were reorganized to make clear which waivers require further Board approval and which do not. Additionally, Bid Waiver for direct purchases from government entities when government entities are directly selling a product or service was added as well as an Impracticality Waiver (which requires further Board approval) for certain procurements that do not fall within the usual bid waiver categories but whose circumstances necessitate a waiver being issued by the Board.

## **B. Board Procurement Policies**

### 1. Generally.

A high-level overview of the proposed general changes to the Procurement Policies are as follows:

- (a) *Name*. The name of the combined policies was changed from the Procurement Policy Table to the Business and Procurement Code Policy Appendix.
- (b) *Structural Modifications*. The Policies were alphabetized, and revisions to the overall structure and sections within the Policies were made to reflect a logical sequence that makes it easier to follow and find applicable sections.
- (c) *Language Conventions*. General language changes were made throughout the Policies to improve sentence structure and grammar and make them read easier.
- (d) *Definitions*. Definitions were revised to eradicate ambiguities and to provide clarification and clear guidance.
- (e) *Inapplicable References*. References to the District's former Corporate Integrity Agreement, which expired in September 2020, have been removed. The language was drafted consistent with the current language used in the Code and other policies of the District.

### 2. Policy-Specific Changes.

- (a) *Deletions*. The following Policies were removed from the Code and will be governed by internal policies and procedures established by the CPO.

- (i) Selection and Approval of Professional Consulting Services. This Policy was removed from the Code. This is better suited as an internal policy.
  - (ii) Vendor Access – Registration & Orientation. This Policy was removed from the Code. This is better suited as an internal policy.
- (b) *Significant Changes*. Substantial changes were made to the Policies as follows:
- (i) Administration of Contracts.
    - a. The title was changed from “Review, Approval, and Administration of Contracts” to “Administration of Contracts Policy.”
    - b. References to a separate contracting department were removed as the contracting department is now operated as part of the District’s Office of the General Counsel.
    - c. The review and storage of contracts will now be determined via internal policy.
  - (ii) Authorized Official and Delegation Policy.
    - a. The title was changed from “Threshold Categories of the Procurement Code” to “Broward Health’s Authorized Official, Contract Execution, and Delegation of Authority Policy.”
    - b. This Policy is a governing document for authorized official signatures and contract execution. This Policy was substantially revised to reflect practices that align with those of other Florida government entities.
    - c. This Policy evidences Board approval of delegation of authority to sign official documents and contracts as regulatory bodies require.
    - d. The District’s Chief Operating Officer was added as an authorized official to sign contracts.
    - e. This Policy establishes the framework, requiring the creation of an internal policy for delegating contracting authority under the Spending Threshold (\$400,000) and for temporary delegations of authority in the absence of an authorized official.

(iii) Design and Construction Code.

- a. Consistent with statutory obligations under chapter 255 and section 287.055, Florida Statutes, this policy creates protocols and procedures via a Design and Construction Code governing the District's procurement of construction contractors and design professionals.
- b. This Policy incorporates current District practices, best practices, and many state agency protocols.
- c. Greater flexibility in the procurement process concerning construction projects is created by this Policy.

(iv) Economic and Small Business Development Initiative.

- a. Language changes were made to improve clarity and readability.
- b. Irrelevant verbiage was removed, and sections were reorganized to provide greater and more precise guidance.

(v) Purchasing and Procurement of Federal Awards from HHS.

- a. Language was modified to provide ease and clarity.
- b. Vocabulary was modified to be consistent with the verbiage used in the Business and Procurement Code.