



ARCHULETA COUNTY PROCUREMENT POLICY

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SECTION 1. GENERAL PROVISIONS

1. PURPOSE

Public Procurement

Procurement in the public sector is the process through which a government acquires goods and services. The terms “Procurement” and “Purchasing” are often used interchangeably. However, “Purchasing” is only one of three stages of the procurement cycle.

The three stages are:

- 1) Planning, Budgeting and Scheduling: Planning is necessary to consolidate purchases to achieve economies of scale. Good planning ensures that goods and services are delivered on time to meet operational needs.
- 2) Source selection (purchasing): The process through which solicitations are issued, advertisements run, vendors selected, contracts awarded, and goods or services received.
- 3) Contract administration: Ensuring that the terms of the purchase agreement or contract are enforced, goods and services delivered satisfactorily, and invoices paid in a timely manner.

Since procurement activities result in legal contracts, every procurement action results in a legal contract between the County and the vendor. Every procurement action is a legal action. Public procurement activities are governed by common and case law, by the Uniform Commercial Code (UCC) and by other state and federal laws. Thus, those persons making procurement decisions are subject to legal constraints and exposure well beyond what other County officials may routinely experience.

General

Capitalized terms throughout this Policy are as defined in Section 8, Definitions.

The County Manager or County Attorney are the authorized representatives for the Board of County Commissioners (BoCC) for the purchasing of office and printing supplies, contracts for goods and services and the publication of County expenditures.

This Procurement Policy is intended to ensure adequate and uniform control of Archuleta County’s purchasing and payment activities. Principles and policies incorporated into this Policy are in accordance with Generally Accepted Accounting Principles (GAAP) and applicable Colorado State Revised Statutes, including C.R.S §30-11-109.5 through §30-11-112.

Information in this Policy will be reviewed at least annually and updated by the Finance Department as necessary so that the maximum use and benefit may be derived in accordance with its intended purpose.

This Policy encompasses all procurement activity conducted on behalf of the County. Any questions on any purchasing or payment situations should be directed to the Finance Department for assistance.

For the purposes of this Procurement Policy, the term “Department Head” shall refer to Department Head, Elected Official, Appointed Official, or appointed or acting Department Head. “Authorized Representative” shall refer to an employee the Department Head has given authority to make purchases for their department only on their behalf, i.e., an administrative assistant. A Signature Authorization Summary must be on file with the Finance Department before they can sign any invoices.

Goals and Objectives

The fundamental objective of this Procurement Policy is to provide operating departments within the County with the goods and services they need in the right quantity and quality, in a timely fashion, as efficiently as possible, and at the lowest overall cost.

Therefore, the goals of this Policy include:

- 1) A process streamlined enough to keep pace with new technology and procedures;
- 2) Adequate controls which are not at the expense of efficiency;
- 3) A consistent process for bids and contracts;
- 4) A minimum of paperwork;
- 5) Single signature policy on all small dollar purchases;
- 6) An emphasis on quality and results.

In addition, the public procurement objective, by law, is to provide responsible bidders with a fair and equal opportunity to compete for capital county business. The integrity of the procurement process must be enforced to maintain the public’s trust and reduce the government’s exposure to criticism and suits. This is accomplished by complying with statutory requirements and by the County’s procurement policy and procedures.

Best Value

It is the responsibility of the Purchasing Department to ensure that the County receives the best value in purchasing contracts. The “best value” is defined as the lowest overall cost based on the following factors:

- 1) Life cycle or total cost, including:
 - a. initial cost;
 - b. operating cost over the item’s life at present value;
 - c. maintenance cost over the item’s life at present value;
 - d. trade-in or salvage value at present value.
- 2) Energy efficiency/economy performance.
- 3) Warranties: In most cases, additional warranties should not be purchased, i.e., vacuums, tools, microwaves, etc. Bigger purchases come with their own warranties, i.e., fleet vehicles, dozers, etc.

- 4) Price vs. performance: This concept ensures that a product is not chosen simply on the basis of price when the lower price product does not contain performance factors necessary to complete the task.
- 5) Discounts.
- 6) Fleet/equipment standardization: Due to training, immediate availability of operating or replacement parts or supplies, less down time, maintenance costs or ease of operations, it may be in the best interest of the County to standardize fleet or equipment.
- 7) Other factors: Consideration may also be given to:
 - a. Local vendors;
 - b. Mechanical factors such as quietness or cleanliness of operation;
 - c. Availability of supplies or parts;
 - d. Shipping date;
 - e. Environmental factors such as energy efficiency or recycled product;
 - f. Other factors relevant to a particular County need.

Procurement Relations with Other County Departments

The Finance Department shall continuously familiarize itself with the requirements unique to other County departments and be receptive to suggestions or comments. Whenever it is practical to do so, supplies and services shall be purchased through price agreements and bulk ordering contracts. The County will benefit from quantity discounts, fewer procurement transactions and minimal paperwork.

Each Department Head shall work with the Finance Department to estimate future needs so that price agreements and contract requirements can be accomplished. It is the responsibility of the Department Head or authorized representative to ensure that needs are projected, and goods and services requisitioned in advance of need. In other words, the Department Head should not wait until the last minute to request an order.

It is imperative to the integrity of the Finance Department's accounting system and the County's relationship with vendors that invoices are turned into Accounts Payable within three business days of receipt. In many cases, receipt and payment of invoices is required prior to the County's ability to receive reimbursement for those funds from a granting agency or other cost-share organization. Failure to submit invoices within the three-day business days' period may result in the loss of timely accommodation of a department's needs. Be mindful that once the Finance Department receives any invoice, there are still critical steps that must be completed before any invoice is processed.

An IRS Form W-9 is necessary when setting up a Vendor. No invoice can be paid to a Vendor without a W-9 form on file. All W-9 forms will be kept on file in the Finance Department. A blank W-9 form is attached in Appendix B.

Forms

All forms associated with this Policy are located on the County's intranet, located on the P: drive, Folder: Procurement Policy and Procurement Forms.

2. APPLICATION

General

All County purchases shall be made in accordance with the policies prescribed in this Procurement Policy. Any agreement made contrary to these policies shall not be binding on the County.

General Provisions/Restrictions

- 1) No personal purchases may be made using the County's funds.
- 2) Only County employees and approved volunteers, with the Department Head's authorization, may make purchases utilizing County funds.
- 3) Purchases must be charged to the proper account, regardless of budget availability in that appropriate line item. Department Heads may request a Budget Adjustment as necessary to cover expenses. Wages and Benefits will not be allocated without approval by the County Manager and/or Finance Director.
- 4) Employees are encouraged to utilize bids from local vendors who are in compliance with any and all County regulations and who are qualified to provide the requested goods or services.

For the purposes of this Policy, a vendor is considered local if it has maintained a place of business in Archuleta County for at least twelve (12) months prior to the date of bid solicitation, at least 50% of the employees are Archuleta County residents, and at least 50% of the fleet used for the project are registered in Archuleta County. All local vendors must be current on County taxes and fees, or they will not be qualified. (See Local Preference in Section 3.4).

- 5) For small purchases, when similar products or reasonable alternatives are readily available from local merchants who are in compliance with any and all County regulations, the purchase shall be made from the local vendor (i.e., supplies, food, etc.).
- 6) Drugs, Tobacco or Alcohol may not be purchased with County funds, except in specific situations within the Sheriff's Department (liquor investigations, DUI training, canine training or undercover operations, etc.).
- 7) Sales tax is not to be charged on purchases. The County's tax-exempt numbers should be given to the vendor before the sale is completed. The County's tax-exempt certificate is attached in Appendix B.

- 8) No multi-year financing obligations (i.e., space rentals, copier leases, etc.) may be entered into without the review and concurrence of the Contract Manager, Procurement Officer and the BoCC, and subject to annual appropriations.

Emergency Procurement

Notwithstanding any other provision of this Policy, the County Manager may authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions. The County Manager shall provide a written determination of the basis for the emergency and reason for the purchases. The selection of the particular vendor or contractor shall be included in the purchase documentation (the invoice, check request, etc.) as soon as the emergency has deescalated.

In the event of a “County Declared Emergency/Disaster”, the Emergency Management Department has a Contingency Purchase Card Limit increase in place with the Finance Director and the Sheriff. Authority will be deferred to Archuleta County Sheriff’s Office putting the Archuleta County Sheriff’s Policy Manual in place. A written determination of the basis for the emergency and reason for the purchases must be provided. The selection of the particular vendor or contractor shall be included in the purchase documentation (the invoice, check request, etc.) as soon as the emergency has deescalated.

Cooperative Purchasing

The County Manager or designee shall have authority to join with other governmental bodies, to the extent authorized by State Statute including, but not limited to, the State of Colorado and the Multiple Assembly of Procurement Officials (MAPO), in cooperative purchasing that is in the best interest of this County, notwithstanding any provisions of this Policy.

Equipment Leases

All lease agreements for capital equipment shall be reviewed by the Contracts Manager or County Attorney. Leases in the total amount, or with a value of \$50,000.00 or less, shall be signed by the Finance Director with form approval by the County Attorney and only after appropriate review and negotiation of terms and conditions. The Contracts Manager or County Attorney may elect to request additional proposals from third-party leasing companies. Leases in the total amount, or with a value of \$50,000.00 or less, shall be signed only by the County Manager with form approval by the County Attorney and only after appropriate review and negotiation of terms and conditions. Lease agreements with a value of greater than \$50,000.00 must be presented to the BoCC for approval and signature. Lease agreements signed by unauthorized parties may be voided and may result in personal liability.

Equipment leases and purchase options should never be used to circumvent the requirements for competition. The soundest and safest approach is that any lease of equipment should be subject to the requirements for competition that apply to outright purchases. Leases with the option to purchase should not be considered unless there is

written justification from the Department Head why it is beneficial to pursue the approval. The Department Head must submit the justification for approval to the Contracts and Procurement Division.

3. CODE OF ETHICS

As a political subdivision of the State of Colorado, anyone who makes purchases for the County is an agent of the County and is required to follow the State Procurement Code of Ethics, included here as Exhibit A. Fundamentally, the ability to make purchases on behalf of the County does not entitle the purchaser to any kind of special personal privileges from the vendor and no professional buying for the County should be, in any way, tied to any personal purchases at any time.

All employees of Archuleta County are prohibited from accepting any gifts, samples, entertainment, special personal price considerations, fees, commissions or other gratuities from any vendors or bidders. Employees may accept items of negligible value used as obvious forms of advertisement such as pencils, calendars, notepads, key rings and/or hats which shall not be considered gratuities. Vendors or bidders who offer SWAG, gifts, entertainment, etc. may be declared irresponsible bidders and may be debarred from bidding.

Anyone who makes purchases for the County WILL:

- Deal with suppliers fairly.
- Offer to give equal assistance to all suppliers and potential vendors.
- Be certain to make procurement records open and available to anyone requesting information. This excludes information received marked “Proprietary Information” or “Confidential” (in accordance with C.R.S. 24-72-203 and).
- Make certain solicitation activities are truly competitive.
- State the evaluation criteria in the terms of the solicitation and do not change those criteria without each bidder’s knowledge.
- Be certain to give the same kind of service to internal customers and external suppliers as the County would expect to receive from them.
- Strictly adhere to the Conflict-of-Interest provision set forth in Section 4.5.

Anyone who makes purchases for the County WILL NOT:

- Play the “meet or beat” game with pricing among bidders.
- Label goods or services proprietary or sole source unless it is determined that they are and that determination can be documented.
- Permit subjective favoritism, for example, statements like “We have always bought from that vendor” is reasoning that does not encourage or allow for competition.

Vendor Ethics

No firm owned by a person officially connected with or employed by the County or an immediate family member (spouse, children and their spouses, step-children and their spouses, brothers and brothers-in-law, sisters and sisters-in-law, parents and parents-in-

law, grandparents and grandparents-in-law, grandchildren and their spouses and members of the immediate household) will be allowed to sell to the County goods or services of any kind without express prior written consent of the BoCC, as required by law.

Gifts or gratuities of other than nominal value or as permitted by Article XXIX of the Colorado Constitution (Amendment 41), which might obligate a person officially connected with or employed by the County in any manner shall be politely and firmly refused. Any vendor or bidder who offers items may be disqualified indefinitely. Officers and employees of the County who are offered anything in excess or in violation of the spirit of this Policy (gifts, gratuities, prizes, bribes, etc.) by any vendor conducting or seeking to conduct business with the County shall submit a written report regarding the offer to the Contracts Manager and Procurement Officer.

Employee and Elected Official's Ethics

Officials and employees of the County must exercise sound judgment in avoiding conflicts of interest or the appearance of impropriety in dealing with vendors. It is unethical for any person officially connected with or employed by the County to:

- 1) Participate directly or indirectly in a procurement in which he/she or any member of his/her immediate family/household has a financial interest;
- 2) Participate directly or indirectly in a procurement in which he/she or any member of his/her immediate family/household is negotiating or has an arrangement concerning prospective employment;
- 3) Accept or receive any gift, gratuity, compensation, reward, or anything other than the nominal value from any supplier or contractor for the sale of goods or services to the County. Donations to the County proper would not be included in these provisions;
- 4) Use the County Procurement Policy to obtain goods or services for his/her own private use;
- 5) Extend favoritism to any vendor or take any action that will give one supplier an unfair advantage over another;
- 6) Indicate County preference to suppliers or contractors for any product, service or source of supply unless authorized to negotiate purchases on behalf of the County;
- 7) Knowingly use confidential information regarding any potential procurement for actual or anticipated personal gain or for the actual or anticipated personal gain of any other person; or
- 8) Due to the nature of the small, rural community of Archuleta County, it may not always be feasible to exclude local vendors from doing County business as

described hereunder. In these cases, the County Attorney shall make the determination whether a conflict of interest exists.

4. EXEMPTIONS

The following purchases are exempt from competitive procurement but may be bid if the Finance Department deems that it is in the best interest of the County. They are not exempt from any other provision of this Policy and remain subject to the signature authority limits as set forth in Section 2.1.

- A. Meals
- B. Travel expenses
- C. Subscriptions and dues
- D. Utilities and fuel
- E. Fleet inventory parts and supplies
- F. Training, conferences and seminars
- G. Postage
- H. Building rent or lease payments
- I. Insurance
- J. Weed and rodent control cost-share
- K. Intergovernmental payments and agreements
- L. Debt service payments
- M. Inmate transfers
- N. Human Services contracts which are subject to federal and state requirements
- O. Items on State bid contracts
- P. Goods or services of a similar nature that have been bid by the County within the past twelve months from date of purchase order or contract award, whichever is later.
- Q. Professional services of a similar nature, as determined by the Finance Department, that have been bid by the County within the prior three (3) years from the date that the original competitive bid action was initiated or the award of bid was made, whichever is later. If an award of bid was made, only the professional to whom the project was awarded may be awarded the new contract. If a decision was not made or the bidding process was incomplete, the Department Head, Authorized Representative and Contract Manager or Procurement Officer may select the professional based upon the original solicitation, proposal or solicitation criteria.
- R. Continuation of professional services contracted in the previous five (5) years wherein the new work is a continuation of work previously completed and the success of the project is predicated upon the contractor using data or materials said professional developed during an earlier phase.
- S. Land or Right of Way necessary to commence or complete a Capital Improvement Project.
- T. Services overseen by the County Surveyor or County Coroner.

Nothing in this Section shall prevent the County from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with applicable law.

5. PROCUREMENT RECORDS AND RETENTION

Public Access

Procurement information shall be a public record to the extent provided in C.R.S. § 24-72-201 *et. seq.* and shall be available to the public as provided in said statutes.

County Procurement Records

County procurement documents include the following, which shall be maintained by the Department and electronically in the Finance Department per the Procurement Policy Manual:

- 1) *Solicitations*: These are invitations to bid, requests for qualifications and requests for proposals.
- 2) *Responses*: These are bids, proposals and quotes submitted by vendors in response to a solicitation.
- 3) *Original contract file*: This includes all determinations and other required written records pertaining to the award or performance of a contract, including contract amendments. In the case of grant-funded contracts, the contract file shall include copies of requests for reimbursement, pay outs and any other related correspondence and documentation.
- 4) *Original purchase orders*: After a purchase is complete, original purchase orders and original invoices are electronically retained by the Finance Department.

Records Retention

All procurement records consisting of bid documentation, purchase requisitions, purchase orders and vouchers shall be retained for the current year plus two (2) years prior and disposed of by the County in accordance with Records Retention guidelines and schedules as required by law. All procurement card (P-cards) payments supporting documentation and files shall be retained for the current year plus eight (8) years prior (due to use by Elected Officials) and will be disposed of by the County in accordance with Records Retention guidelines and schedules as required by law. All procurement records whether hard copy or electronic shall be retained and disposed of in accordance with the State of Colorado and the Archuleta County Records Retention Policy and Schedules. All original procurement records for the current year and two (2) years prior shall be kept in the Finance Department. Records older than this shall be kept in the County archives and added to the archive sheets. They will be destroyed in line with the Archuleta County Records Retention Policy and Schedules, and they shall be listed on the Document Disposition Records Form (see Appendix B).

SECTION 2. ADMINISTRATIVE MATTERS

1. SUMMARY OF PURCHASING THRESHOLDS

All purchasing thresholds and signature authority limits set forth below apply to purchases for which the individual purchasing department has an approved budget in the current year. Purchases outside an approved budgeted line-item limit must be requested and authorized through the Finance Department.

Thresholds:	
Petty Cash	Up to \$100
Purchase Orders	Above \$5,000
Signature Authority Guidelines:	
Authorized Representative	Up to \$2,000
Department Head/Elected Official	Up to \$5,000
Public Works Director	Up to \$50,000
Finance Director	Up to \$50,000
County Manager	Up to \$50,000
Bidding Thresholds:	
Buyer's Best Judgment	\$0 - \$5,000
Informal Bidding Procedures:	
Two written or two documented oral quotes	\$5,000 - \$10,000
Three written quotes (goods, services, and capital improvements)	\$10,000 - \$50,000
Formal (Sealed) Bidding Procedures:	
Goods, services and capital improvements	\$50,000 and above (see Note below)
Exceptions requiring Board of County Commissioner (BoCC) approval:	
Capital improvements	\$50,000 and above
Non-budgeted transactions over \$5,000	\$50,000 and above
Budgeted purchases	\$50,000 and above and 15% over budgeted amount
All Real Property purchases	All

Note: Exceptions to the bidding thresholds may be made on a case-by-case basis as allowed within this purchasing policy.

2. SIGNATURE AUTHORIZATION

General

Signature authority is granted on an individual basis. The Finance Department shall keep a current Signature Authority master list of designated staff authorized to approve County expenditures up to \$5,000. The list shall include the full signatures and initials of each authorized individual and the amount of signature authorization granted to the individual.

Procedures

- 1) A Signature Authorization Summary must be submitted by each department to the Finance Department on an annual basis (January 1).
- 2) The Finance Department shall be responsible for deleting signature authority for terminated employees. Should authority need to be revoked prior to termination, the applicable department shall be responsible for notifying the Finance Department.
- 3) All changes and additions to the Signature Authorization Summary must be submitted in writing and must include the following information:
 - Name of County personnel
 - Title
 - Authorization amount
 - Effective Date
 - Employee signature and initials
 - Authorizing signature of delegating Department Head
- 4) Unless signature authorization has been formally delegated, no employee shall sign on behalf of another otherwise authorized employee. Written notification of delegation must be sent to the Finance Department.

3. TRAVEL

General

This policy applies to all out-of-town travel and mileage reimbursements. For the purposes of this Policy, and due to the isolated nature of Archuleta County, out-of-town travel is defined as any one-way trip exceeding 100 miles.

A Travel Authorization Form (see Appendix B) must be completed PRIOR to out-of-town travel.

Inmate transfers are exempt from the provisions of this Section.

Procedures

- 1) Approvals must be obtained in advance of travel.
 - a. County Manager's approval is necessary for all out-of-state travel, excluding parts of New Mexico within 100 miles from Pagosa Springs.
 - b. Excluding Elected Officials, County Manager's approval is necessary for Department Head's travel.
 - c. Appropriate supervisory approval is required for all other employees.

- 2) The purpose of the Travel Authorization Form is to estimate and accumulate the total cost of the trip.
- 3) The Travel Authorization Form shall be filled out completely, approved by the authorized personnel and turned into the Finance Department. The form will be used to generate any Accounts Payable checks required to pay the appropriate per diem.
- 4) In many cases, registration fees and lodging will be paid for by a Purchasing Card (Section 2.5) or through the Check Request process (Section 3.7). Receipts and/or supporting documentation items required include: the itinerary, and a Google map showing the mileage from Pagosa Springs to the destination. In addition, a snapshot of the GSA.gov per diem rate for authorized amounts should be attached to the Travel Authorization Form. These forms should be forwarded to the Finance Department in advance of travel, allowing the Accounts Payable clerk enough time to process and have the reimbursement available in a timely manner.
- 5) Upon completion of travel, any additional allowable expenses require a new Travel Authorization Form with the required receipts and documentation included. This form should be turned into the Finance Department. Any allowable expenses with proper supporting documentation, such as receipts, parking, flight change cost, which were paid by the traveler will be reimbursed.
- 6) In all cases, but within reason, the most cost effective and efficient method of travel should be sought.
 - a. Regarding airfare, direct flights shall be considered the standard, even though flights with connections and/or layovers are often less expensive.
 - b. For out-of-state travel where the employee requests to use alternative transportation (i.e., train or automobile), the County will reimburse the most cost-effective method (i.e., what the airfare would have cost, the cost of a rental car with unlimited mileage and actual gas costs, or mileage reimbursement).
- 7) The amount per mile of mileage reimbursement is set at the current GSA Rate found at <https://www.gsa.gov/travel>.
- 8) The amount for meals and incidentals reimbursement is set at the current GSA Rate found at <https://www.gsa.gov/travel>.
- 9) The amount for airfare reimbursement is set by the GSA Mileage Rate found at <https://www.gsa.gov/travel>.

- a. If actual costs are more than the approved GSA Rate amount, the employee is responsible for any additional cost. If actual costs are less than the approved GSA Rate amount of the per diem, the employee may keep the balance.
 - b. No receipts for meals are required when using the approved GSA Rate.
- 10) Refer to the County's Personnel Policy, Section 210 Compensation During Training, for specific instructions regarding compensation for hours worked during travel for non-exempt employees.
 - 11) For out-of-state travel, note that airlines, hotels and other vendors may not honor the County's tax-exempt status.

4. PETTY CASH

General

A Petty Cash fund may be established in a department to improve the efficiency of departmental operations. These funds are available to purchase minor items when it would be otherwise impractical to purchase items through the usual purchasing methods.

The Department Head or authorized representative is responsible for the proper safeguarding of Petty Cash monies entrusted to their department. Cash and receipts for unreimbursed expenditures must be kept in a locked container such as a fire-proof file cabinet, safe, or other suitable device to which unauthorized access is difficult.

The maximum Petty Cash amount shall be \$100.00. Exceptions to this requirement may only be approved by the Finance Director.

Procedures

- 1) The Department Head should appoint a custodian of the Petty Cash held in the department. The Petty Cash custodian is personally responsible for the cash which was specifically issued to him/her. Therefore, access to the fund must be limited to the custodian.
- 2) The Petty Cash custodian must ensure that the Petty Cash is reconciled monthly. The reconciliation confirms that the cash on hand plus Petty Cash receipts equal the total amount of Petty Cash on the books. When a discrepancy is discovered, a written report must be sent to the Finance Department within two working days.
- 3) These funds are subject to periodic audits by the Department Head or Finance Department. Recurring negative audit findings will result in the Petty Cash fund being revoked. The custodian is responsible for ensuring the cash on hand and receipts always equal the authorized amount of the fund. Petty Cash funds must

be kept separate from any change funds, cash drawers, personal funds, and any other collected revenue.

- 4) To start up the Petty Cash fund, the Department Head shall submit the following items to the Finance Director for approval:
- A memorandum justifying the need for a Petty Cash fund and designating the fund custodian. This should include the original signature of the custodian and the Department Head.
 - A check request payable to the Department, coded to the Petty Cash line item in the amount requested. The check request should include the department name and be signed by the Department Head.
 - The check should be taken to the Treasurer to cash.

5) **Disbursements from Petty Cash:**

Disbursements from Petty Cash funds must be properly documented and for a valid County purpose. Petty Cash funds cannot be used as a means of avoiding normal control procedures or Preferred Supplier Supply agreements. It is inappropriate for Petty Cash to be used in any of the following circumstances:

- personal items or services;
- cash advances for travel, personnel services, payroll advances, or business meals;
- cashing personal checks;
- to advance loans for personal benefit;
- alcoholic beverages, tobacco or drugs;
- clothing;
- donations;
- gifts/flowers;
- professional services; or
- renovations or remodeling.

The Finance Department has the authority to make exceptions to the above list when special or unusual circumstances apply. Approval for exceptions must be received prior to purchasing any items listed above.

An employee purchasing items using Petty Cash funds shall:

- a) Obtain prior approval from the Department Head or fund custodian.
- b) Obtain, when necessary, the County of Archuleta sales tax form (see Appendix B). Archuleta County sales tax is not reimbursable.
- c) Obtain a Petty Cash advance from the custodian. The advance is provided to the employee only to purchase legitimate Petty Cash items.

Each time an advance is given, the custodian must maintain the following information:

- the amount of the advance;
- the date;
- the purpose;
- the recipient; and
- the recipient's signature.

The custodian is responsible for ensuring the employee returns itemized receipts and any unused cash.

The employee must present the original sales receipt or cash register sales slip to the Petty Cash custodian. The receipt(s) must include:

- description of the item(s);
- date of purchase;
- place of purchase;
- itemized amounts;
- purpose; and
- signature of purchaser.

6) Replenishment of Petty Cash Fund:

Replenishment of the Petty Cash fund should be done on a timely basis but will vary by department. In addition, all funds should be replenished at the fiscal year end so there are no outstanding receipts as of December 31.

The Petty Cash reimbursement request for the amount to be reimbursed must be completed and delivered to Accounts Payable along with a copy of the original receipts.

The reimbursement request should include the following:

- Name, Department, and identification of the fund custodian;
- Date of each receipt;
- Account code to be charged;
- Amount; and,
- The fund custodian's signature and department name.\

Each receipt should be listed individually with the account code and amount included.

7) Increasing a Petty Cash fund:

When additional Petty Cash funds are needed, the Department Head shall send a memorandum to the Finance Director justifying the increase. A check request payable to the Department in the amount of the requested increase shall be included.

8) **Decreasing a Petty Cash fund:**

A Petty Cash fund should be reduced if the amount of the fund exceeds the actual needs of the department. The amount which is no longer needed should be deposited with the Finance Department, crediting the original account code, along with a memo indicating that the fund is being decreased.

9) **Closing a Petty Cash fund:**

When a Petty Cash fund is no longer needed, the fund custodian should replenish the fund to the authorized amount. This amount must then be returned to the Finance Department, crediting the original account code indicating the fund is being closed.

Petty Cash funds must NEVER be deposited into a revenue account code.

5. **PURCHASING CARDS**

General

Purchasing Cards are a streamlined purchasing approach for small to medium dollar purchases and to pay for business-related travel expenses in the most cost-effective manner possible. Purchasing Cards reduce/eliminate paperwork, deploy resources to other activities, facilitate management authorization and internal controls, and increase the timeliness and quality of management and financial reporting. The use of Purchasing Cards is a privilege and should be treated as such. For further understanding, please reference the Purchase Card Manual.

Authorization for Purchasing Card

Employees must be authorized by the Department Head based upon both the need for a Purchasing Card and the signature limits. Employees so authorized shall have a Signature Authorization form (see Appendix B) on file in the Finance Department and shall sign a Purchasing Card Agreement (see Appendix B) with the Finance Department prior to the card being issued.

Card Use

Purchasing Card purchases are limited to those transactions completed upon purchase. The user should verify the availability of the item being charged when placing an order. Back orders should not be charged until the time of shipment. The user should verify that the combined price and freight charge being charged is under the specified signature authority dollar limit. In addition, the user should verify that sales tax is not being charged. The County's tax-exempt number is imprinted on the front of the Purchasing Card. A copy of the County's tax-exempt certificate is included in Appendix B.

If the event a Purchasing Card transaction is denied, the user shall contact Wells Fargo at (800) 932-0036 (the number on the back of the card) as soon as possible to resolve the issue. If there is concern that a transaction may be denied due to type of business, or traveling, the user should contact the Finance Department in advance. They will contact

Wells Fargo and authorize the card use. Vendors can run a pre-authorization on the Purchasing Card to make sure the transaction will go through.

Receipts

All charges will require a receipt. All receipts shall be submitted to Wells Fargo by the user/reconciler. Receipts shall be coded with the appropriate account number, a description of the purchase, and an authorized signature. The dollar amount coded on the receipt needs to match the amount on the statement, allowing for tips, rounding, taxes etc.

If merchandise is to be returned, the user should verify that the vendor has issued the credit. The user shall print a copy of the receipt showing the credit, code it and upload it when reconciling the monthly statement. The dollar amount coded on the receipt must match the amount on the reconciled statement.

In the event a receipt is lost, the user shall fill out a Missing Purchasing Card Receipt Form (see Appendix B), have it approved by a supervisor, and upload it when reconciling.

Unacceptable Uses

- Purchases over the signature authority limit;
- Dividing an order to stay below the signature authority limit;
- Cash advances, traveler's checks, or the use of ATM machines;
- Fuel for personal vehicles (reimbursement for mileage shall be made on the Travel Authorization Form at the current GSA reimbursement rate); or
- Personal expenses of any type, including insurance copays, Alcohol, Tobacco, drugs

Personal/Non-Business Charges

In the event that personal or non-business-related items are accidentally charged on the card, reimbursement to the County shall be made by submitting a personal check payable to "Archuleta County", to the Finance Department. This reimbursement must be completed at the time of statement reconciliation. Repeated occurrences of personal or non-business-related items being charged to the card and/or intentional misuse of the Purchasing Card may result in charging privileges being immediately revoked without notice and disciplinary action taken.

Disputing Transactions

If there is a dispute about a transaction, the cardholder should first try to resolve it with the merchant. If an item has been charged but has not been received, contact the merchant to verify shipment date. If charges are paid but not received by the next statement, contact the Finance Department for assistance in resolving the problem.

Change in Employment Status

The cardholder will surrender possession of his/her card upon termination of employment. The cardholder may be asked to surrender the card at any time deemed necessary by the Department Head, the Finance Director, or the County Manager.

If Card is Lost or Stolen

Always keep the card in a safe place. If the card is lost or stolen, the user shall contact Wells Fargo immediately and notify the Finance Department.

6. GRANTS

The receiving Department Head is responsible for the monitoring of Grant funds at the designated set points throughout the duration of the Grant. The Procurement Officer will work with and help give support to oversee the reviewing of Grants on the designated basis to ensure set points are met and to ensure claimed expenses are within the terms of the contract. Financial duties are carried out by properly qualified personnel. It is segregated within the organization and subject to review to ensure that adequate internal checks and balances exist. Refer to the Archuleta County Grants Management Policy for detailed information.

The Finance Department uses a financial management system which allows our organization to prepare reports and trace funds accurately.

It is the Department Head's responsibility is to ensure:

- Awards are expended only for allowable activities and costs;
- Contractors and sub-contractors are properly notified of required documents (if applicable) and payroll reports are submitted by the County;
- Matching, level of effort and earmarking requirements are met using only allowable funds or costs that are properly calculated and valued;
- Funds are used only during the authorized period of availability;
- Accurate records are safeguarded and maintained, disposition of any equipment or real property is in accordance with Grant requirements;
- Procurement of goods and services are made in compliance with applicable laws, and no subaward, contract, or agreement for purchases of goods or services is made with any debarred or suspended party; and
- Reports of awards submitted to the awarding agency or pass-through entity are made according to a documented time schedule and include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

SECTION 3. SOURCE SELECTION

1. GENERAL

All goods and services shall be purchased competitively if the aggregate total exceeds \$5,000.00, with the exception of those items set forth in Section 1.4 Exemptions. For purchases below the \$5,000.00 threshold, Buyer's best judgment is sufficient in selecting the preferred vendor. Buyers must be named on the Signature Authorization list in the Finance Department.

2. SOLE SOURCE PROCUREMENT

A sole-source (non-competitive) procurement is permissible if a requirement is available from only a single supplier. A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential bidder or offeror for that item or service.

A circumstance that could necessitate a sole source procurement is as follows:

- The purchase of technical equipment for which there is no competitive product, and which is available only from one supplier. A quote and letter of explanation must accompany the request.

“Sole source” refers to the supplier as well as a product or service. Thus, the ability to meet a delivery date or to provide on-call repairs will not create a sole source that is a single-supplier condition. Justification for a sole source purchase depends upon a needed item or service being available from only a single supplier under the prevailing conditions. If the item or service can be obtained from more than one source, price competition shall be solicited or a select source procurement will be completed.

A Letter of Explanation shall completely explain the rationale used in determining “sole source,” as well as the determination that the awarded price is “fair and reasonable,” using an element of price analysis justifying the total cost. A quote and letter of Sole Source on company letterhead, signed by a person of authority from the supplier must accompany this request for any dollar amount over \$5,000.00. The quote is valid for one year only and must be completed every year. The Contracts Manager, Procurement Officer or authorized representative can determine use of a sole source to be in the best interest of the County based on documented justification by the requesting Department Head. This determination must be documented.

Occasionally, it is necessary to purchase supplies, services or construction items without going to bid, or that only one firm is in a better position to provide such supplies, services or items. Examples of potential sole source purchases/services include: state bids, engineering or other professional or consulting services, grants - terms of contract, items for resale, matching existing equipment, custom items, paint, prime lumber (except for

large quantities), new technology services or equipment, on site repairs (such as heating, air conditioning, plumbing, phone, etc.) and utilities.

When authorization above the Department Head level is required, a letter of explanation justifying the sole source request shall be attached to the documentation requiring approval.

3. REQUISITIONING AND SPECIFICATIONS

Purchase Requisitions

Requisitioning is internal notice to the Finance Department that there is a need for goods and services. Unlike a Purchase Order, a Purchase Requisition is not a contract to buy.

At the time of a Notice of (Contract) Award, or prior to the purchase of goods or services that total \$5,000.00 or more, a Purchase Requisition Form (see Appendix B) must be completed, authorized, and submitted to the Finance Department. The Finance Department will generate a Purchase Order as set forth below. Should a vendor require a Purchase Order for an item less than \$5,000.00, a Purchase Requisition may be submitted, and a Purchase Order will be generated.

All Purchase Requisition Forms (PRF) must include the following:

- Requisition Date;
- Item to be purchased (including item number, quantity, description);
- Where goods are to be delivered;
- Specifications, if necessary;
- Account Number to be charged (budget line item);
- Amount - projected cost of purchase; and
- Authorized signature according to 2.1 purchasing thresholds.
- In addition, when services are required, The Public Contract For Services Form - Final (see Appendix B) for ANY AMOUNT is required to be attached to the PRF

The requisitioner shall attach all informal bid and selected vendor documentation for any purchase requests between \$5,000.00 and \$50,000.00. This should include original Requests for Quotes and responses, and vendor evaluation criteria, if applicable. Also attached should be the Board of County Commissioner approval as required by Section 2.1 Purchasing Thresholds.

The Department Head of the requesting department is responsible for acquiring informal bids. The Contract Manager or Procurement Officer is available to assist if necessary.

Specifications

For purchases exceeding \$50,000.00, or for lesser purchases where the department requests informal bidding assistance, departments are responsible for providing a specification or Scope of Work to the Finance Department for goods or services needed. Specifications will provide the Procurement Officer with clear guidelines for source

selection and provide vendors with firm criteria of minimum product or service acceptability. Specifications should allow for maximum competition.

The purpose of specifications are to:

- 1) Set the minimum acceptability of the goods or service. Too high a standard means tax dollars will be wasted. Too low a standard, and the goods or service will not meet the expectations of the department.
- 2) Promote competitive bidding. The maximum number of responsible vendors should be able to bid the specifications. Restrictive specifications decrease competition and cost effectiveness.
- 3) Contain provisions for reasonable tests and inspections for acceptability of the goods or service. The methods and timing of testing and inspections must be indicated in the specifications. Tests should refer to nationally recognized practices and standards, whenever possible.
- 4) Provide for an equitable award to the lowest responsive and responsible bidder while also providing for Best Value for the County. The department obtains the goods or services that will perform to expectations, and the vendor is able to provide the goods or services at an equitable agreed price.

4. LOCAL PREFERENCE

Preferential considerations for local vendors or contractors will be given for **Non-Capital** purchases in the event that solicited bids from the local vendors are no more than 10% over non-local vendor bids. The Department Head or Procurement Officer will take into consideration all factors, so long as no sacrifice or loss in quality, terms and delivery are determined.

For the purposes of this Policy, a vendor is considered local if it has maintained a place of business in Archuleta County for at least twelve (12) months prior to the date of bid solicitation, at least 50% of the employees are Archuleta County residents, and at least 50% of the fleet used for the project are registered in Archuleta County. All local vendors must be current on County taxes and fees, or they will not be qualified.

5. PURCHASE ORDERS

General

A Purchase Order is generally required to purchase goods or services that total \$5,000.00 or more. The term Purchase Order is used generically throughout this Policy to include all service/maintenance agreements, construction agreements and any other types of agreements in excess of \$5,000.00.

Objectives

The primary reasons for issuing a Purchase Order are as follows:

- to facilitate prior approval for large dollar purchases;
- to ensure adequate funds and to encumber funds on the accounting system;
- to ensure adequate product specification for vendors;
- to facilitate vendor requirements.

Procedures

- 1) A Purchase Order is initiated by a Purchase Requisition Form (PRF) (see Appendix B).

At the time of a Notice of (Contract) Award, or prior to the purchase of goods or services that total \$5,000.00 or more, a Purchase Requisition Form must be completed, authorized, and submitted to the Finance Department with required supporting documents. i.e., bids, quotes, BoCC signed resolution and contract. Should a vendor require a Purchase Order for an item less than \$5,000.00, a Purchase Requisition may be submitted, and a Purchase Order will be generated.

Note: Once a Purchase Order is created, the encumbered account cannot be changed. The Purchase Order will be voided, and a new Purchase Order will be created. If unsure, the requestor should work with the Finance Department to verify it's been budgeted.

- 2) The Purchase Requisition is reviewed by the Procurement Officer and, if complete, entered into the accounting system by the Finance Department. A Purchase Requisition number will be generated by the accounting system at the time of entry. It is the responsibility of the Department Head to make sure their budget allows for the purchase. It may be necessary to complete a Budget Transfer Request Form (see Appendix B). The funds are encumbered on the system appropriately decreasing funds available.
- 3) Once the Purchase Requisition has been verified and approved by the Finance Director, a Purchase Order will be generated and emailed to the requesting Department Head. Should additional copies be required, the Finance Department can print additional copies. The original Purchase Requisition containing adequate authorization shall be retained by the Finance Department for audit and internal control purposes according to the Records & Retention Policy.
- 4) The Purchase Order will be used by the Procurement Officer to legally authorize the purchase of goods or services from the vendor. Acceptance of a Purchase Order by the vendor constitutes a contract.

- 5) When delivery of goods or services is verified, the vendor will provide an invoice for the item purchased. The Department Head or authorized representative will sign and code the invoice indicating receipt of goods or services and return the invoice to the Finance Department within a timely manner for payment.
- 6) If the invoice forwarded to the Finance Department represents the final payment on a Purchase Order, the signer should indicate final payment so any remaining balance on the Purchase Order may be unencumbered. For construction projects, final payment will be authorized by the Procurement Officer after due public notice, as set forth in Section 5.8 Final Payment.
- 7) If the goods or services received are in different quantities or types from the Purchase Order and additional goods or services are forthcoming, the balance of the Purchase Order will remain encumbered until indication of final payment is received by the Finance Department.
- 8) At year end, all Purchase Orders are closed. Invoices will be paid through the Accounts Payable Department using the year the budget was encumbered. This will be determined at the Finance Director's discretion.

Blanket Purchase Orders

A Blanket Purchase Order is a Purchase Order initiated for repetitive purchases to be made from the same vendor over an extended time not to exceed one year. A Blanket Purchase Order is used for purchases which are for the same item(s) made frequently from the same vendor but with differing quantities and dollar amounts. Examples include sand, asphalt, office supplies, fleet parts, gasoline, chemicals, pharmaceuticals, culverts, mag chloride, etc.

If the dollar amount of aggregated purchases over a one-year period does not exceed the dollar amount required for bidding, Blanket Purchase Orders may be created without going out to bid at the discretion of the Procurement Officer. Blanket Purchase Orders must be bid every twelve months and follow the same procedures outlined in Sections 4.1 and 4.2 for all informal and formal procurement procedures.

Blanket Purchase Orders may be issued for a "not to exceed" amount. Depending on the nature of the Blanket Purchase Order and length of Bid, funds may be encumbered in the accounting system. This will be determined at the Finance Director's discretion.

6. CHANGE ORDERS

If the department needs to modify the original Purchase Order, a Change Order should be sent to the Finance Department. Examples of reasons for a Change Order include a change in needed merchandise functionality, quantity, delivery date or scope of work/services.

Documentation for the Change Order must accompany the request to the Finance Department. All Change Orders should reference the Purchase Order number which they are modifying.

The following situations apply accordingly:

- A. If the Change Order does not significantly change the purpose of the original order, no additional authorization is required.
- B. If the Change Order modifies the County's account number, the Purchase Order will have to be voided and a new one created.

7. CHECK REQUESTS

General

A Check Request is a non-Purchase Order payment that does not meet the criteria of the Purchasing Card or Petty Cash Policy. Circumstances that may require a Check Request Form (see Appendix B) include, without limitation, reimbursement for tuition, miscellaneous reimbursement, payment to other agencies under an Intergovernmental Agreement and land or right of way acquisitions.

Procedures

- 1) Check Requests remain subject to Purchasing Thresholds and Signature Authority limits as set forth in Sections 2.1 and 2.2. For all purchase totals over \$5,000.00, a Purchase Requisition is required. There are no exceptions to this provision.
- 2) Unless the transaction is exempt as set forth in Section 1.4 Exemptions, appropriate bidding procedures must be followed and documented for purchases above \$5,000.00. This documentation is an ordinary requirement of the Purchase Requisition Form (see Section 3.3), which should be attached to the Check Request Form.
- 3) For goods and services received, the original vendor's invoice must be turned into Accounts Payable with the Check Request Form with the following information readily identified:
 - Purchase Order number (if applicable);
 - Vendor or Payee Name and Address;
 - Dollar Amount;
 - Account Number;
 - Identification of whether it is a Fixed Asset'
 - Name of Staff Authorizing the Check Request; and
 - Approval Date.
- 4) There are certain vendors to whom the County remits payment from statements rather than individual invoices, i.e., phone and utility companies. In these situations, invoices/receipts shall be forwarded to Accounts Payable within three

business days of the purchase and shall include, at a minimum, the information required in Section 3.7.3.

- 5) For all other transactions not described by Sections 3.7.3 and 3.7.4, documentation supporting the transaction is required to be attached to the Check Request Form. This documentation should include the required documentation identified in Section 3.7.3 as well as any additional supporting documentation such as copies of intergovernmental agreements, memorandums of understanding, deed, proof of payment (for reimbursements), etc.
- 6) Check Request Forms should be submitted to the Finance Department in sufficient time to allow payments to be made by the vendor's due dates. Any finance charges incurred from late payments will be charged to the responsible department.

SECTION 4. METHODS OF SOURCE SELECTION

1. INFORMATION PROCUREMENT PROCEDURES

Purchases of goods or services having an estimated value of less than \$50,000.00 may be made on the open market by informal procurement methods, without public notice and without following the formal procurement methods. Purchases shall not be artificially divided so as to fall under the \$50,000.00 threshold and circumvent the formal procurement process.

Departments are encouraged, but not required, to maintain bidder's lists. Whenever possible, the Colorado State Price Agreement Listing (State Bid) should be consulted. This list can be found at Office of State Controller at <https://osc.colorado.gov>.

The Department Head or authorized representative of the requesting department is responsible for acquiring informal bids. The Procurement Officer is available to assist if necessary.

Small Purchases

Departments may purchase small items that are priced under \$5,000.00, and are not available from the central inventory, by using Petty Cash, Purchasing Cards or a Check Request without submitting a Purchase Requisition Form. All policies and procedures pertaining to these purchase methods apply (see Sections 2.4, 2.5 and 3.7). Under no circumstances are large purchases to be artificially divided to fall within this limitation. Purchasers must be listed on the Signature Authorization master list in the Finance Department.

The Department Head or authorized representative may solicit bids for small purchases in order to determine the Best Value for the County. For small purchases, bid information shall be maintained by the department.

Two Written or Documented Oral Quotes

Two written or documented oral quotes must be solicited prior to purchasing goods or services in excess of \$5,000.00 and less than \$10,000.00. The quotes should include information relating to all details of the purchase including date of delivery, total cost, warranties, discounts, etc. in order that Best Value for the County may be determined.

After receipt of the quotes and choice of preferred vendor, the Department Head shall submit a Purchase Requisition Form to the Finance Department with all informal bid documentation attached as set forth in Section 3.3 Purchase Requisitions.

Three Written Quotes

Three written quotes must be solicited prior to purchasing goods or services in excess of \$10,000.00 and less than \$50,000.00. The quotes should include information relating to all details of the purchase including date of delivery, total cost, warranties, discounts, etc.

in order that Best Value for the County may be determined. This may be accomplished by issuing a Request for Quotes to at least three qualified vendors.

After receipt of the quotes and choice of preferred vendor, the department representative shall submit a Purchase Requisition Form to the Finance Department with all informal bid documentation attached as set forth in Section 3.3 Purchase Requisitions.

On-Line Purchasing/Quotes

Given the relative geographic isolation of Archuleta County, it may from time to time be advantageous to purchase items on-line, particularly specialized goods and equipment that cannot be purchased competitively in the County or region.

The internet may be used to acquire written quotes for items between \$5,000.00 and \$50,000.00. Caution should be used in this case - on-line quotes should not be used if the on-line purchases carry any restrictions or conditions that would compromise specifications of the purchase, such as delivery date, availability of product or when prices are subject to unlimited escalation.

2. FORMAL PROCUREMENT PROCEDURES

Competitive Sealed Bidding

1) General:

The procurement of goods or services exceeding a total annual value of \$50,000.00 shall be competitively solicited through a sealed bidding process except those purchases which may be exempt as described in Section 1.4 Exemptions or Section 3.2 Sole Source Procurement.

The Statement of Work (SOW) or specifications are critical to the success of the procurement. All bid specifications shall seek to promote overall economy for the purposes intended and encourage competition in satisfying the County's needs and shall not be unduly restrictive to limit competition (see Section 3.3 Requisitioning and Specifications).

2) Public Notice Requirements:

A project subject to competitive sealed bidding must be given public notice. The Procurement Officer or the County legal team shall publish a legal notice in the County's newspaper of record or a newspaper of general circulation. The advertisement shall be published at least once weekly for two consecutive weeks. In addition, all formal bids shall be advertised on the County's web site.

3) Types of Solicitation:

- a. Request for Information (RFI): An RFI is a solicitation for information, which may include a quote or cost estimate obtained from a supplier or contractor in an informal manner (verbally, electronically, etc.). It is for information only and is not used as a basis for vendor evaluation or

selection. This type of solicitation is exempt from Section 4.2.2 Public Notice Requirements.

- b. Request for Qualifications (RFQ): An RFQ may be issued in order to prequalify any bidder, vendor, supplier, contractor or proposer prior to issuing an Invitation to Bid. An RFQ may also be issued to establish a prequalified bidder's list. An RFQ is subject to Section 4.2.2 Public Notice Requirements.
- c. Invitation for Bid (IFB): An IFB is a solicitation of formal bids. A "formal" bid is a solicitation that requires advertising, bonds, and sealed bids. The Department Head or authorized representative is responsible for the bid package and vendor eligibility. The specifications, delivery requirements, plans, drawings, and other items must be determined and finalized prior to the bid package being issued. Eligibility may be determined from a pre-qualification process, general advertising of project, or any other method deemed appropriate. If prequalification is required for a project, such requirement shall be published in the IFB.
- d. Requests for Proposals (RFP): An RFP is a solicitation for goods or services designed for an award based upon criteria other than price alone. It is most often used for items or services that are hard to quantify or describe because it allows the proposer to suggest the item or service that might best suit the County's needs. Examples where an RFP may be appropriate include design services, professional services, janitorial services, specialized equipment, or software purchases, etc. The RFP is subject to Section 4.2.2 Public Notice Requirements and should contain the following as a minimum:
 - A scope of services and/or detailed specifications;
 - The required time schedule;
 - Project budget;
 - General requirements;
 - Conditions and provisions;
 - Location, date and time for submittal of the proposal; and,
 - Evaluation criteria to be used for selection and award.

4) Solicitation Procedures:

Upon formal authorization by the BoCC, the Contract Manager or Procurement Officer shall issue the Request for Proposals or Invitation For Bids. Formal BoCC action is not required to issue a Request for Qualifications or Request for Information.

Solicitations shall be made in "pdf" or other non-editable format to preclude responder manipulation and ensure consistency of responses.

The Contract Manager or Procurement Officer shall advertise solicitations as widely as possible, including without limitation, through direct solicitation, in

local and regional newspapers, on the County web site and on trade organization web sites.

5) Prequalification:

The Procurement Officer or designee may determine if a prequalification process is appropriate and determine the criteria. Criteria may include but is not limited to the following: construction experience, experience specific to the work specified, construction track record, government experience, and financial stability. Vendors may be prequalified on an annual basis or on a project-by-project basis.

Prequalification shall occur through the issuance of an RFQ as described in Section 4.2.3(b). The Department Head will designate a Project Manager. The Department Head/Project Manager will review the qualifications and information to determine the acceptability of responding bidders. Qualified responders will be placed on a prequalified bidder's list kept by the Department Head or Project Manager.

6) Bid Evaluation:

The RFP evaluation process shall be conducted in a fair and objective manner that requires the Department Head, Project Manager, Procurement Officer and Contract Manager (the "Evaluation Committee") to evaluate all proposals on the specific criteria in the RFP. Bids shall be evaluated based on the requirements set forth in the bid package, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award shall be objectively measurable, such as discounts, transportation costs, and total for life cycle costs. The bid package shall set forth the evaluation criteria to be used. No criteria may be used in bid evaluation that is not set forth in the bid package.

Complete confidentiality is an ethical and legal requirement and is vital to fair and equitable evaluation. The Evaluation Committee is required to sign a Non-Disclosure Statement (see Appendix B) prior to the review of proposals. The Non-Disclosure Statement shall be filed with Bid packet. During the entire RFP process, the Department Head serves as the sole contact for vendors and provides all RFP procedures and communication. Technical issues will be addressed by the Department Head and relayed to vendors by the Procurement Officer. After proposals are submitted, all vendor contacts shall be made through the Procurement Officer. Vendor information, number of proposals received, results and other evaluation proceedings shall be kept confidential until a fully executed contract is established. Requests for this information shall be made in writing and its release will be in accordance with the Colorado statute (C.R.S. §§ 24-72-203 and 24-72-204) for access to Public Records under the Open Records Act, the Archuleta County Open Records Policy and with this Archuleta County Procurement Policy.

The Evaluation Committee will facilitate the evaluation process. A BoCC member should recuse him/herself from the final approval of a contract award if the member is also on the Evaluation Committee. Committee members shall score each proposal individually and independently. However, after the individual scores are tabulated by the Evaluation Committee, group discussions are encouraged to discuss technical views to arrive at a better understanding of technical proposals during the evaluation process. The results of the scoring by the Evaluation Committee shall be totaled to determine the overall highest rated proposal.

If interviews are part of the evaluation, the RFP should contain language that allows for interviews. The Evaluation Committee, prior to entering discussions with any offerors, will make competitive evaluation criteria to be used with every interview.

The RFP shall clearly define all evaluation criteria. Numerical rating systems or weights may be used but are not mandatory to be listed in the RFP. The weights or points must be assigned prior to evaluating proposals. The evaluators shall not consider criteria that are not specified in the RFP when evaluating proposals. Selection for the award shall be conclusive based on scoring criteria as specified in the RFP. The Evaluation Committee will evaluate all proposals received for completeness and the proposer's ability to meet all the specifications as outlined in the RFP. The Committee may then shortlist for interviews the specific firms whose proposals best meet all the criteria required.

- 7) Withdrawal or Modification of Bid:
 - a. *Prior to Bid Opening:* The bidder, prior to the specified bid opening date/time, may withdraw a bid if the bidder's representative appears at the Finance Department office, or if the Procurement Officer receives a written request for withdrawal at the Finance Department office. Written notice includes fax or email. At the bid opening, but prior to the actual opening of the bids, a bidder may withdraw a bid to correct a mathematical error, to sign a document or to correct clerical errors. The bidder must submit a written request stating the nature of the modification to the bid, must make the modification as quickly as possible without leaving the room where the bids are being opened, and will not be allowed to make any telephone calls to subcontractors.
 - b. *After Opening, but Prior to Award:* No bid may be withdrawn or contract negated unless the bidder or contractor can establish that the bid or contract contains mistakes related to a material feature of the contract, and unless withdrawal is deemed by the Procurement Officer to be in the best interest of the County.

8) Award:

The contract shall be awarded with reasonable promptness through formal action of the BoCC to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the bid package, unless the County Manager or designee shall determine that the public interest will be better served by accepting a different bid. In the case that the lowest responsible and responsive bidder does not get the award, documentation of the evaluation criteria and the basis for the award shall be included with the written determination of award. This documentation shall be made available to all bidders and the public upon request.

The Procurement Officer shall issue a Notice of Award (see Appendix B) to the successful bidder and may also notify unsuccessful bidders.

9) Cancellation of Invitation for Bids:

An Invitation For Bids or any other solicitation may be canceled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interest of the County. The reasons therefore shall be put in writing and made part of the contract file.

Telephone and Facsimile Bids

Telephone, email and facsimile bids will not be accepted in formal solicitations unless the Contract Manager or Procurement Officer shall make written determination that market conditions are of such a nature that it is in the best interest of the County to solicit telephone or facsimile bids, such as the purchase of petroleum fuels on a daily basis, under changing market conditions, or under solicitations during a declared emergency.

3. BID PROTEST

A protest may be submitted during any phase of the solicitation of an Invitation For Bids (IFB) or Request for Proposals (RFP) up to and including the date/time of bid and/or proposal opening, and through the date of award. Protests consist of written objections by an interested party to a solicitation for bids/proposals by the County or cancellation of the solicitation. Matters regarding County policies and procedures are not subject to this protest policy.

When submitting a protest, the party must:

- Identify the IFB or RFP number and title;
- Date the protest;
- Describe the aggrieved issue; and
- Submit one (1) original and two (2) copies of the protest to the Procurement Officer.

The Contract Manager or Procurement Officer will send a copy of the protest to the County Attorney and the Department Head affected by the protest, if applicable. The Contract Manager or Procurement Officer will review the issue with the appropriate staff,

which shall include the County Attorney. Within seven (7) business days, the Contract Manager or Procurement Officer will reply, in writing, to the aggrieved party. The Contract Manager and the Procurement Officer are the only two authorized people to respond to the protest. The reply shall state the reasons for the decision reached. Specific findings of fact are not required, but if made, shall not be binding in any subsequent proceeding. The decision of the Procurement Officer is final.

4. DISQUALIFICATION OF BIDS

The following may be grounds for disqualification of bids and while not exhaustive, are meant to be examples only:

- Vendor not attending a mandatory Prebid conference;
- Documents as required by the IFB or RFP are missing from the bid;
- Unsigned bids;
- Bids received after the date and time for opening;
- Bids where prices are conditional on award of another bid, or when prices are subject to unlimited escalation;
- Irregularities in bid bonds;
- Alternative bids (those not conforming to the specifications) may be deemed unresponsive, and may not be considered for award;
- Bids submitted by nonqualified vendors;
- Multiple bids are submitted by the same vendor under different business names;
or
- Evidence of collusion or other anticompetitive practices between vendors.

Any disqualified bids shall be returned to the bidder.

5. CONFLICT OF INTEREST

General

Archuleta County ***shall not*** contract for goods or services with an employee, elected official, administrative officer, member of his/her immediate family, or a company which is owned in whole or part by an employee, administrative officer, elected official or a member of his/her immediate family, or a company in which an employee, administrative officer, elected official or a member of his/her immediate family has a financial interest (as defined below).

DEFINITIONS: For the purpose of this provision,

- "Owned in part" means having an ownership interest of more than 10% of the business.
- "Financial Interest" means any interest in the business by means of a loan or other evidence of indebtedness, in excess of 10% of said business's outstanding indebtedness.

- "Immediate family" is defined as a spouse, parent, child, domestic partner, or sibling.

Exception

Due to the nature of the small, rural community of Archuleta County, it may not at all times be feasible to exclude local vendors from doing County business as described hereunder. In these cases, the County Attorney shall make the determination whether a conflict of interest exists.

6. VENDOR RESPONSIBILITY

All vendors are responsible for complying with the terms within this Procurement Policy. All vendor representatives should make an initial contract on any sale or proposal only through the Department Head or Procurement Officer. County staff should refer vendors and unsolicited proposals to the Contract Manager or Procurement Officer. The Procurement Officer shall arrange appointments with vendors at the convenience of the affected departments.

When, for any reason, collusion or other anticompetitive practices are suspected among vendors, notice of the relevant facts shall be transmitted immediately to the County Attorney, District Attorney and/or Colorado State Attorney.

In order to do business with the County, a vendor must be able to demonstrate that it has:

- The appropriate financial, material, licensing, certifications, equipment, facility, and personnel resources, experience and expertise, (or the ability to obtain them) necessary to indicate the capability to meet all contractual requirements;
- A satisfactory record of performance and integrity;
- Good standing with the Better Business Bureau and/or the Colorado Secretary of State;
- The legal capacity to contract with the County;
- Supplied all necessary information in connection with any inquiry concerning responsibility including, but not limited to, any prequalification requirement as set forth in Section 4.2 Formal Procurement Procedures, when applicable; and,
- An IRS Form W-9 with remittance address noted.

In addition, if a vendor has a business address in Archuleta County, they must show proof of registration of equipment and must be current in all taxes and fees or they will be disqualified from participation.

The County reserves the right to inspect the plant, place of business or worksite of a vendor.

The unreasonable failure of a vendor to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of irresponsibility.

If a vendor who otherwise would have been awarded a contract is found irresponsible, a written determination of irresponsibility, setting forth the basis of the finding, shall be prepared by the County, and the irresponsible vendor will be ineligible for the award.

7. DEBARMENT OR SUSPENSION

General

The County Manager, with the recommendation of the Procurement Officer is authorized to debar or suspend a vendor or contractor for just cause. The Procurement Officer shall seek input from any affected Department Head prior to making a recommendation to the County Manager.

Guidelines

- 1) No vendor or contractor shall be debarred or suspended until an opinion regarding the same has been obtained from the County Attorney and until procedures recommended by the County Attorney have been followed.
- 2) The period for debarment shall be determined by the County Manager on a case-by-case basis.
- 3) Reasons for debarment or suspension include the following:
 - a. Commission of fraud or a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract or in the performance of such a contract or subcontract.
 - b. Conviction or indictment under a state or federal statute of embezzlement, theft, forgery, bribery, falsification, or destruction of records, or receiving stolen property.
 - c. Conviction or indictment under a state or federal antitrust statute.
 - d. Failure or default without good cause to perform in accordance with the terms of any contract or unsatisfactory performance of any contract.
 - e. Debarment, disqualification, or suspension by another government entity for any reason.
 - f. History of excessive orders and/or underbidding.

8. REFUNDS

General

Refunds of money paid to the County are to be initiated by the department responsible for the revenue collection. All refunds must be run through the Finance Department.

Procedures

- 1) A Check Request Form (see Appendix B) must be completed, authorized, and submitted to the Finance Department by the responsible department.

- 2) Refunds for overpayment of on-going receipts (i.e., Sales Tax, Utilities) may be given in the form of a credit on a future billing.

SECTION 5. CONTRACTS

1. CONTRACT ADMINISTRATION

General

A Department Head shall be identified on all contracts presented to the BoCC for award. The Department Head is responsible for ensuring that all scope of work/services and the terms and conditions of the contract are met prior to making payment. Changes in or issues with the contract must be directed to the Department Head who will notify the Contracts Manager known as County Manager or Procurement Officer known as Finance Director.

All original signed contracts, including Intergovernmental Agreements, shall reside in a central file in the Finance Department.

Types of Contracts

A County standardized contract which is appropriate to the procurement shall be used. Refer to the Public Contract for Services Form (Appendix B) which shall be reviewed and approved by both the County Attorney and the Contract Manager.

- 1) Capital Improvement Contract is any contract for capital improvement into which the County enters. Only the County Manager or the Board of County Commissioners has the contractual authority to sign a Capital Improvement Contract for the County. The Department Head or designated Project Manager MUST be designated for each capital improvement project and specified within the contract. This individual will coordinate with the Procurement Officer to be accountable for all aspects of proper contract administration surrounding the construction in progress. Each department and its personnel are responsible for the effective planning for its capital improvement projects.
- 2) Service Contract is any contract for a professional service or any other service into which the County enters. This type of contract results in the furnishing of labor, time or effort by the contractor or sub-contractor without the delivery of a specific end product other than required reports, plans, documents or performance. The County Manager has the authority to sign a Service Contract if the total amount is less than \$50,000.00. The Board of County Commissioners has the authority to sign a Service Contract for the County if the total annual value exceeds \$50,000.00. A County representative MUST be designated for each Service Contract and specified within the contract. This individual will coordinate with the Procurement Officer to be accountable for all aspects of proper contract administration related to the service being furnished.
- 3) Maintenance Contract is any contract for the yearly maintenance of equipment, including warranty contracts. These contracts shall be administered by the Procurement Officer or designated County representative.

- 4) Grant Contract is any contract between the County and an outside agency (Agency) where the Agency gives the County money to meet the Agency's standards and as specified in the contract. These contracts shall be administered by the Contracts Manager and Procurement Officer working closely with the Project Manager or County representative to ensure County compliance with Agency-specified requirements including timeline, budget, reimbursement requests and reporting. Only the Board of County Commissioners or its designee has the authority to sign a Grant Contract for the County.
- 5) Intergovernmental Agreement (IGA) is any agreement involving shared costs or services between the County and one or more other government entities (Entity), where the contribution from the Entity is not considered a grant. Only the Board of County Commissioners has the authority to sign an IGA for the County. The County Manager or designated County representative shall oversee the execution of each IGA.

2. CONTRACT EXECUTION

The following positions are authorized to execute contracts:

BoCC: The BoCC has the authority to sign all County contracts and is the only position who may execute a Grant Contract, an Intergovernmental Agreement, contracts over \$50,000.00, non-budgeted contracts over \$5,000.00, and contract Change Orders in excess of ten percent (10%) of the original contract amount.

County Manager: If approved by the BoCC, the County Manager may execute all standard contracts less than \$50,000.00 provided the procurement is funded in the current budget, and all non-budgeted contracts less than \$5,000.00. In addition, the County Manager may execute any nonstandard contracts related to: the sale or purchase of County real or personal property, provided that the subject matter of the sale or purchase was previously approved by the BoCC; computer software/hardware licensing agreements; equipment or building leases; and maintenance agreements.

Contract Manager/County Manager: As authorized by the BoCC.

Procurement Officer/Finance Director: As authorized by the BoCC.

3. BID SECURITY, PERFORMANCE AND PAYMENT BONDS

General

When a contract is awarded, unless the County Manager or designee deems otherwise, the bonds or security described by this Section 5.3 shall be delivered to the County and shall become binding on the parties upon the execution of the contract.

Nothing in this Section shall be construed to limit the authority of the County to require a bond or other security in addition to the bonding requirements as stated below.

Bid Security

Bid security in an amount equal to five percent (5%) of the total amount of the bid shall be required for all competitive sealed bidding for Capital Improvement and Service Contracts. Bid security shall be a bond provided by a surety company authorized to do business in this state, or the equivalent in certified funds, or otherwise supplied in a form satisfactory to the County.

When an Invitation For Bid requires security, noncompliance requires that the bid be rejected.

Performance Bond Labor and Materials Payment Bond

- 1) When a construction contract is awarded in excess of one hundred fifty thousand dollars (\$150,000.00), the following bonds or security shall be delivered to the County and shall become binding on the parties upon the execution of the contract:
 - a. A performance bond satisfactory to the County, executed by a surety company authorized to do business in this County or otherwise secured in a manner satisfactory to the County, in an amount equal to fifty percent (50%) of the price specified in the contract; and
 - b. A Payment Bond (see Appendix B) satisfactory to the County, executed by a surety company authorized to do business in this County or otherwise secured in a manner satisfactory to the County, for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the price specified in the contract.
- 2) Nothing in this Section shall be construed to limit the authority of the County to require a performance bond or other security in addition to those bonds or in circumstances other than those specified in subsection (1) of this Section.
- 3) Suits on Payment Bonds and labor and Payment Bonds shall be brought in accordance with sections 38-26-105 to 38-26-107, C.R.S.
- 4) This section applies to all construction contracts awarded to a private entity for construction that is situated or located on publicly owned property using any public or private money or public or private financing.

Bonds may be required on contracts of less than \$100,000.00 if the Finance Department deems it to be in the best interest of the County.

Per C.R.S. §24-105-202, for contracts in excess of \$100,000.00, a Payment Bond (Appendix B) shall be required, satisfactory to the County, executed by a surety company authorized to do business in this County, or otherwise secured in a manner satisfactory to the County for the protection of all persons supplying labor and material to the contractor or its subcontractors for the performance of the

work provided for in the contract, in an amount equal to one hundred percent (100%) of the price specified in the contract. The contractor shall deliver this bond to the County within ten (10) calendar days after the receipt of the Notice of Award or at the time of execution of the contract. If the contractor fails to deliver the required bond, the contractor's bid may be rejected or terminated for default.

Bonds may be required on contracts of less than \$50,000.00 if the Finance Department deems it to be in the best interest of the County.

Retainage

Per C.R.S. §24-91-103, the contract shall include provisions for retainage of contract sums as prescribed by State Statute and may include provisions for retainage in contracts not covered by state law.

- 1) A public entity awarding a contract exceeding one hundred fifty thousand dollars (\$150,000.00) for the construction, alteration, or repair of any highway, public building, public work, or public improvement, structure, or system, including real property as defined in C.R.S. § 24-30-1301(15), shall authorize partial payments of the amount due under such contract at the end of each calendar month, or as soon thereafter as practicable, to the contractor, if the contractor is satisfactorily performing the contract. The public entity shall pay at least ninety-five percent (95%) of the calculated value of completed work. The withheld percentage of the contract price of any contracted work, improvement, or construction may be retained until the contract is completed satisfactorily and finally accepted by the public entity.
- 2) The public entity shall make a final settlement in accordance with C.R.S. § 38-26-107, within sixty days after the contract is completed satisfactorily and finally accepted by the public entity.
- 3) If the public entity finds that satisfactory progress is being made in any phase of the contract, it may, upon written request by the contractor, authorize final payment from the withheld percentage to the contractor or subcontractors who have completed their work in a manner finally acceptable to the public entity. Before the payment is made, the public entity shall determine that satisfactory and substantial reasons exist for the payment and shall require written approval from any surety furnishing bonds for the contract work.
- 4) Whenever a contractor receives payment pursuant to this Section, the contractor shall make payments to each of his subcontractors of any amounts actually received which were included in the contractor's request for payment to the public entity for such subcontract. The contractor shall make such payments within seven calendar days of receipt of payment from the public entity in the same manner as the public entity is required to pay the contractor under this Section if

the subcontractor is satisfactorily performing under his contract with the contractor. The subcontractor shall pay all suppliers, sub-subcontractors, laborers, and any other persons who provide goods, materials, labor, or equipment to the subcontractor any amounts actually received which were included in the subcontractor's request for payment to the contractor for such persons, in the same manner set forth in this subsection regarding payments by the contractor to the subcontractor. If the subcontractor fails to make such payments in the required manner, the subcontractor shall pay said suppliers, sub-subcontractors, and laborers interest in the same manner set forth in this subsection regarding payments by the contractor to the subcontractor. At the time the subcontractor submits a request for payment to the contractor, the subcontractor shall also submit to the contractor a list of the subcontractor's suppliers, sub-subcontractors, and laborers. The contractor shall be relieved of the requirements of this subsection regarding payment in seven days and interest payment until the subcontractor submits such list. If the contractor fails to make timely payments to the subcontractor as required by this Section, the contractor shall pay the subcontractor interest as specified by the contract or at a rate of fifteen percent (15%) per annum, whichever is higher, on the amount of the payment which was not made in a timely manner. The interest shall accrue for the period from the required payment date to the date on which payment is made. Nothing in this subsection shall be construed to affect the retention provisions of any contract.

Damage or Delay

The County may, by contract, require the contractor to waive, release, or extinguish its rights to recover costs or damages, or obtain an equitable adjustment, for delays in performing such contract if such delay is caused, in whole or in part, by the acts or omissions of the County or its agents, if the contract provides that an extension of time for completion of the work is the contractor's remedy for such delay.

4. INSURANCE

The Procurement Officer may require such insurance as may be deemed necessary for the protection of the County and as required by law. When a contract requires contractor insurance, the insurance certificates shall be provided with the contract, including all exceptions and riders attached to the certificate.

All County contracts shall include a requirement for General Liability Insurance. At a minimum, this insurance shall be in the statutory amount for Worker's Compensation and \$1,000,000/\$3,000,000 minimum limits for General Liability. Workers and contractors who are not protected by or do not provide Worker's Compensation insurance shall not participate in a County contract.

5. NOTICE OF AWARD

The Contracts Manager or Procurement Officer will issue a Notice of Award (see Appendix B) stating the terms of the contract award, including the date of award, vendor

name, contract amount and goods or services to be provided. The Notice of Award shall be posted at the County courthouse for ten (10) calendar days and be included in the contract file.

6. NOTICE TO PROCEED

The Contracts Manager or Procurement Officer will issue a Notice to Proceed (see Appendix B) stating that the vendor shall begin work pursuant to the contract. The Notice to Proceed shall be sent to the vendor with the contract. The vendor shall sign acknowledgment of this Notice and return it to the Contracts Manager or Procurement Officer for inclusion in the contract file.

7. CONTRACT COMPLIANCE AND PROJECT INSPECTION

General

The County designated Project Manager or representative is responsible for inspecting the work and keeping written records of project evaluation data. For capital improvement projects, the Project Manager should keep inspection logs.

Departments must be aware that comprehensive written records are necessary to support debarment, suspension or potential future litigation.

Stop Work Order or Contract Cancellation

1. Reason:

The Department Head or designated Project Manager may stop the project and the County may cancel the contract if the contractor commits any of the following acts which substantially constitute a breach of contract:

- Fails to begin work within the time specified in the contract;
- Fails to perform the work with sufficient personnel or equipment to ensure timely completion of said work;
- Fails to perform work in accordance with contract terms/requirements;
- Refuses to remove or replace unacceptable work;
- Fails to resume work which has been discontinued within a reasonable time after notice to do so;
- Becomes insolvent or is declared bankrupt;
- Discontinues the prosecution of work;
- Is a party to fraud; or
- For any other reason whatsoever, fails to carry on the work in an acceptable manner.

2. Process:

If the Department Head or Project Manager discovers that the contractor has committed any of the above acts, the Department Head or Project Manager shall verbally inform the job site supervisor to stop work immediately, and then prepare

and deliver a written stop work order, detailing the deficiencies, to the Contracts Manager and Procurement Officer who shall serve as the liaison between the County and the company. The original stop work order shall be delivered to the company, with copies to the County Manager, County Attorney and Finance Department.

In addition to stopping the work, if the contractor commits any of the above acts, the County may file a claim with the surety company and may immediately terminate the contract upon written notice to the contractor.

8. FINAL PAYMENT

Prior to final payment on a Capital Improvement Contract, the Contracts Manager and Procurement Officer shall publish a Legal Notice of Final Payment once a week for at least two consecutive weeks in the newspaper of record in the County. The final payment will not be made until at least ten (10) calendar days after the second Notice of Final Payment is published and after the County has received a release of statements of claim or liens. Proof of publication shall be included in the contract file. Claims against the contract shall be filed as prescribed by state law.

9. CONTRACT PROTEST AND APPEAL

All claims against the County by a vendor relating to a contract shall be submitted in writing to the Contracts Manager and Procurement Officer for a decision. Matters regarding County policies and procedures are not subject to this Section. The Project Manager shall consult with the Department Head, County Manager, County Attorney and appropriate representative or department in order to arrive at a decision.

Reasons for contract protest may include:

- Disputes arising under a contract;
- Disputes based upon breach of contract; or
- Disputes arising from contract modification or rescission.

The decision of the Contracts Manager and Procurement Officer shall be issued in writing and shall be furnished to the contractor. The decision shall state the reason(s) for the decision reached and shall inform the contractor of its right to appeal.

The Contracts Manager and Procurement Officer's decision shall be final unless, within ten (10) calendar days from receipt of the decision, the contractor furnishes a written appeal to the BoCC. The BoCC shall issue a written decision regarding the appeal which shall state the reason(s) for the decision.

10. INDEPENDENT CONTRACTOR POLICY

General

The County's Finance Director or the County Attorney shall make the determination that an individual is an Independent Contractor and shall approve any contract arrangements.

An individual is generally considered to be an Independent Contractor if the employer has the right to control or direct only the result of the work and not the means and methods of accomplishing it. Examples may include a software programmer, electrician, etc.

The rules of the IRS code for determining whether an individual is or is not an Independent Contractor are complex. The determination needs to be made on a case by case basis.

Procedures

The procedures outlined herein are set forth to assure conformity of the Independent Contractor policy. It is the responsibility of the department and its personnel to comply with all provisions set forth with this Independent Contractor policy.

- 1) Steps in contracting with Independent Contractors include:
 - a. Identification of need.
 - b. Negotiation of contract.
 - c. IRS Form W-9 filed with Finance Department.
- 2) Once the Procurement Officer's approval to contract with an Independent Contractor is received, terms need to be negotiated with that contractor. Additionally, each contractor must be made aware of the deadlines for payment processing through the Finance Department.
- 3) The Public Contract for Services Form (see Appendix B) must be completed by the Department Head and sent to the County Attorney for approval, then forwarded to the County Manager for signature. Once all approvals using purchasing thresholds have been met the Final Contract shall be forwarded to the Finance Department. A backup copy of Contracts form shall be kept in the Finance Department.
- 4) The Personal Service Contract (see Appendix B) should not be modified, unless approved by the County Manager or Attorney.

11. THIRD PARTY AGENT

From time to time, particularly for large capital improvement projects, it is in the County's best interest to engage a contractor as a third-party representative agent to coordinate project-specific procurement activities on behalf of the County. In this case, without exception, the third-party agent shall abide by all Sections of this Procurement Policy. Final award, contract execution and ultimate contract administration shall remain in the purview of the County.

SECTION 6. PROCUREMENT RULES WITH FEDERAL FUNDS

The County will comply with the terms and conditions of the award or grant of federal funds following the Uniform Guidance (2CFR).

1. REQUIREMENTS

Contract and solicitation requirements will vary depending on the funding source. The following provisions generally apply to grant reimbursable contract expenditures, including but not limited to Human Services, FEMA, CDBG and FHWA grants. For compliance, audit, and reporting purposes all requirements must be necessary, reasonable, and allocable costs per CFR §200.043, §200.404 and §200.405.

2. SUSPENSION AND DEBARMENT [2 CFR §200.212]

County staff shall check the SAMS website prior to award for verification of suspension and debarment, and true legal name of prospective awardees and all relevant principles.

3. GENERAL PROCUREMENT STANDARDS [2 CFR §200.318 AND 45 CFR 75.327]

- A. The County shall use its own procurement procedures as long as the County's procedures are as strict as the Federal requirements. If the Federal procedures are stricter, the County must use the Federal procedures.
- B. The federal requirements in this Policy contain standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.
- C. The County shall avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
- D. The County will encourage the use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.
- E. The County shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
- F. The County shall maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following:
 - rationale for the method of procurement
 - selection of contract type
 - contractor selection or rejection, and,
 - the basis for the contract price.

4. COMPETITION [2 CFR 200.319 AND 45 CFR 75.328]

- A. The County must promote full and open competition and shall avoid the following which unfairly restrict competition:
 - i. Placing unreasonable requirements on firms in order for them to qualify to do business;
 - ii. Requiring unnecessary experience and excessive bonding;
 - iii. Noncompetitive pricing practices between firms or between affiliated companies;
 - iv. Noncompetitive contracts to consultants that are on retainer contracts;
 - v. Organizational conflicts of interest;
 - vi. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and,
 - vii. Any arbitrary action in the procurement process.
- B. The County shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference.
- C. The County shall have written procedures for procurement transactions that ensure all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured and do not include provisions that unfairly restrict competition.

5. PROCUREMENT PROCEDURES [2 CFR §200.320 AND 45 CFR 75.329]

The County must use one of the procurement procedures: (a) micro-purchases - \$2,000.00 or less; (b) small purchase - \$5,000.00 or less; (c) sealed bid; (d) competitive proposal; or (e) noncompetitive proposal – sole source.

6. SOCIOECONOMIC OUTREACH DOCUMENTATION – STEPS TO TAKE [2 CFR §200.321 AND 45 CFR 75.330]

Affirmative steps shall be taken to assure small and minority businesses, women’s business enterprises, and labor surplus area firms are used in the contracting process when possible. Affirmative steps shall include:

- A. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists.
- B. Assuring that small and minority businesses and women’s business enterprises are solicited whenever they are potential sources.
- C. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority- and women-owned business enterprises.
- D. Establishing delivery schedules, where the requirement permits, which encourages participation by small and minority- and women-owned businesses.

- E. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.
- F. Requiring the prime supplier, if subcontracts are to be let, to take the affirmative steps listed in this Section.

7. PROCUREMENT OF RECOVERED MATERIAL [2 CFR §200.322 AND 40 CFR 247]

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

8. CONTRACT COST AND PRICE [2 CFR §200.323 AND 45 CFR 75.332]

- A. The County must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold (\$250,000), 2 CFR § 200.88.
- B. The County must negotiate profit as a separate element of the price for each contract in which there is no price competition (sole source) and in all cases where cost analysis is performed. Determining profit is based on the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

9. PROCUREMENT REVIEW BY FEDERAL OR STATE AGENCIES [2 CFR §200.324 AND 45 CFR 75.333]

The County must comply with federal or state agency review of the County's procurement procedures and procurements.

10. BONDING REQUIREMENTS [2 CFR §200.325 AND 45 CFR 75.334]

If a construction or improvement contract exceeds the Simplified Acquisition Threshold (\$250,000), the County must require a bid guarantee of 5% of the bid price, a performance bond of 100% of the contract price, and a Payment Bond of 100% of the contract price.

11. CONTRACT PROVISIONS [2 CFR §200.326 AND 45 CFR 75.335]

All contracts must include the federal contract provisions in 2 CFR 200 Appendix II or 45 CFR 75 Appendix II.

All contracts funded in part or entirely by federal grants, either directly or through a pass-through entity, shall adhere to applicable federal laws and regulations, including without limitation OMB Circular A-122, OMB Circular A-110, OMB Circular A-87, OMB Circular A-21 and the OMB Circular A-102 Common Rule.

Specifically, the Contracts Manager and Procurement Officer shall work with the County Project Manager or representative on the federally-funded project to ensure that:

- Federal awards are expended only for allowable activities and costs;
- Contractors and sub-contractors are properly notified of the Davis-Bacon Act requirements and certified payroll reports are submitted to the County;
- Matching, level of effort and earmarking requirements are met using only allowable funds or costs that are properly calculated and valued;
- Federal funds are used only during the authorized period of availability;
- Accurate records are maintained for equipment acquired with federal awards, equipment is adequately safeguarded and maintained, disposition of any equipment or real property is in accordance with federal requirements, and the federal awarding agency is appropriately compensated for its share of any property sold or converted to non-federal use;
- Procurement of goods and services are made in compliance with applicable federal laws, and that no subaward, contract, or agreement for purchases of goods or services is made with any debarred or suspended party; and
- Reports of federal awards submitted to the federal awarding agency or pass-through entity are made according to a documented time schedule and include all activity of the reporting period, are supported by underlying accounting or performance records, and are fairly presented in accordance with program requirements.

SECTION 7. COUNTY ASSETS MANAGEMENT

1. CAPITAL ASSETS

General

The capital assets of the County consist of long-lived resources, having a value in excess of \$5,000.00 and a life expectancy in excess of one (1) year. Capital assets include machinery, vehicles, tools, road maintenance equipment, computers, furniture and fixtures, and like items. A central inventory of County capital assets will be kept by the Finance Department. It is the responsibility of departments to inform the Finance Department of any actions affecting this inventory such as the sale or transfer of equipment. Property asset tags, where appropriate, will be assigned by the Procurement Officer upon receipt of new capital equipment.

Disposal of Capital Assets

Departments disposing of any capital assets having a replacement value in excess of \$5,000.00 shall notify the Procurement Officer. The Department Head will attempt to reassign the assets to another department. If the items cannot be used by another department, they will be disposed of in a manner deemed to be in the best interest of the County and/or community. The following methods of disposal shall be used:

- A. Sold at public auction: This method requires BoCC approval by resolution. The auction shall be advertised as a legal notice once weekly for at least two weeks in the County newspaper of record, the advertisement to include at a minimum a general description of the assets, date, time and location of auction, contact information and website link to auction details.
- B. Sold through other advertisement: This method is to be used when a public auction is deemed impractical or would not provide the maximum return for the item. Other advertisements include the use of on-line services such as eBay, Gov Deals or the County web page.
- C. Donated to a local public service agency.
- D. Donated or sold to County employees: Obsolete computer equipment which is deemed by the IT Department likely to net less than \$25.00, or any other capital asset, such as furniture, likely to net less than \$25.00 may be donated or sold to County employees when local agencies have expressed disinterest. Employees will be offered the assets on a first come, first serve basis through a widely distributed email and posting.
- E. Sold or traded as salvage or scrap: The County shall attain the highest return available. In some cases, it may be cost beneficial to dispose of an asset through a trade, such as in return for hauling or other consideration.

In all cases prior to capital asset disposal, the Accountant shall be notified and authorization shall be given by the Finance Department.

2. REAL PROPERTY ASSETS

General

Real property consists of any land or buildings legally owned by the County (County-held title). Real property also includes County-owned Rights of Way. Copies of deeds to County properties reside in a central file in Administration. The Attorney maintains a database of County-Owned Rights of Way.

Purchase of Real Property

Procurement of real property will be required from time to time for capital improvement projects such as new County facilities, parks and trails, airport uses, landfill expansion and other public works projects. All standard real property procurement must adhere to the following:

- All relevant Sections of this Procurement Policy.
- Prior to real property purchase, appraisal, and environmental assessment (including hydrology and cultural resources) of the proposed property must be conducted; and
- Funding must be in place. If issuance of General Obligation bonds or other funding strategies, such as a tax increase, are required, the proposed purchase MUST go before the voters for approval.

There may be opportunities for nonstandard real property acquisition, such as property donations or trades. Any nonstandard purchasing agreements, regardless of the value of the property, must be authorized by the BoCC and reviewed by the County Attorney.

Disposal of Real Property

All real property disposal actions require approval by resolution of the BoCC. The exception to this Section 5.2 is tax certificates on foreclosed properties. Real property assets may be disposed by the following methods:

- A. Sold at public auction: The auction shall be advertised as a legal notice once weekly for at least two weeks in the County newspaper of record. The advertisement shall include, at a minimum, a general description of the assets, date, time, and location of auction, contact information and website link to auction details.
- B. Sold through other advertisement: This method shall be used when a public auction is deemed impractical or would not provide the maximum return for the property. Other advertisements include the use of a real estate agent or on-line services.

- C. Donated to a local government or service agency: There may be cases where it is in the public's and County government's mutual best interest for the County to donate real property to a local agency, such as to an affordable housing agency or the Pagosa Fire Protection District for a new firehouse. Typically, in these cases, the donation will enable another agency to take over or share the cost of services previously solely provided by the County.
- D. Land trades: Federal agencies, such as the USDA Forest Service, commonly engage in land trade for mutually beneficial purposes. The County may also engage in a land trade when it is in the County government's and public's best interest to do so.
- E. Vacation of Rights of Way: The County may vacate a road right of way in part or in total when it is in the County's best interest to do so or when so petitioned by one hundred percent (100%) of property owners served by the right of way.

Prior to any real property disposal action, except for right of way vacation, an appraisal of the property to be disposed of must be conducted to determine current market value. More than one appraisal may be solicited if deemed appropriate by the County Manager and Finance Director.

3. INFRASTRUCTURE ASSETS

General

County infrastructure assets consist of long-lived resources, having a value in excess of \$5,000.00 and a life expectancy in excess of five (5) years. The Government Accounting Standards Board (GASB) Rule 34 requires all local governments to submit an annual accounting report for all infrastructure assets, such as roads, bridges and culverts. This report requires designation of original value, age, and depreciation for each item. It is the responsibility of the Road and Bridge Director to maintain a current inventory of all infrastructure assets and to provide an annual report to the Finance Director by December 31.

As part of the GASB 34 inventory, the Procurement Officer shall assign each item with a unique identifier, either by an asset tag, detailed description or other feasible means.

Special Conditions

Due to the nature of this asset type, the process of procurement or disposal of such must be discerned on a case-by-case basis; however, all Sections of this Procurement Policy shall apply as appropriate. Specific details pertaining to infrastructure assets and their management may also be found in the Road and Bridge Policy Manual or Road and Bridge Design Standards.

SECTION 8. DEFINITIONS

Agency:

- 1) Administrative divisions of a government.
- 2) A relationship between two parties by which one, the agent is authorized to perform or transact certain business for the other, the principal: also, the office of the agent.

Agent: A person authorized by another called a principal, to act for him.

Appropriation: Board of County Commissioners authorization to expend public funds for a specific purpose. Money set apart for a specific use.

Authorized Representative: shall refer to an employee the Department Head has given authority to make purchases for their department only, on their behalf, i.e., administrative assistant. A Signature Authorization Summary must be on file with the Finance Department before they can sign any invoices.

Award: The acceptance of a bid or proposal; the presentation of a purchase agreement or contract to a bidder.

Best and Final Offer: For negotiated procurements (RFP), a vendor's final offer following the conclusion of discussion/negotiation.

Best Value Award: Acquisitions based on criteria such as warranty, service and technical elements of a bid or proposal along with the cost/price element.

Bid: An offer, as a price, whether for payment or acceptance. A tender given specifically to a prospective purchaser upon request, usually in competition with other bidders. Also, an offer by a buyer to a seller, as at an auction.

Bid Bond: An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific bidder, if his bid is accepted, fails to accept the contract as a bid.

Bidder: Any person submitting a competitive bid in response to a solicitation.

Bid Package: Documentation prepared and distributed by the County in the solicitation of bids.

Blanket Purchase Order: A form of Purchase Order, initiated by a Purchase Requisition, used for repetitive purchases made from one vendor. A Blanket Purchase Order may be initiated for a "not to exceed" aggregate amount. Common uses for a Blanket Purchase Order include office supplies, chemicals, pharmaceuticals, repairs and maintenance agreements, and other items and/or services that may be repetitive by nature.

Board of County Commissioners (BoCC): The legislative and governing body of the County.

Boiler Plate: Colloquial designation for standard terms and conditions, usually preprinted, incorporated in an Invitation for Bids, Request for Proposals, or a contract or Purchase Order.

Breach of Contract: A failure without legal excuse to perform any promise which forms a whole or part of a contract.

Business: Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

Capital Assets: County-owned goods having a value more than \$5,000.00 and a life expectancy in excess of one (1) year. Includes machinery, vehicles, tools, road maintenance equipment, computers, some software, furniture, fixtures, and like items.

Capital Improvement: A fixed public improvement, including, but not limited to streets, alleys, sidewalks, runways or county facilities, bridges, parks, public structures, and landscaping.

Change Order: A written order directing the contractor to make changes which the changes clause of the contract authorizes the purchaser to order without consent of the contractor.

Code of Ethics: A written set of guidelines within which judgments and considerations of professional ethics and behavior should be made.

Collusive Bidding: The response to bid invitations by two or more vendors which have secretly agreed to circumvent laws and rules regarding independent and competitive bidding.

Confidential Information: Any information which is available to an employee only because of the employee's status as an employee of the County and is not a matter of public knowledge or available to the public on request.

Conflict of Interest: A situation wherein an individual as part of his duties must make a decision or take action that will affect his personal interests.

Consideration: Acts, promises, or things of value exchanged by two parties that validates a contract between them.

Construction: The process of building, altering, or repairing a public structure or building, or other improvements to any public real property. It does not include routine operation, routine repair or routine maintenance of existing structures, buildings, or real property. A project that usually requires the professional services of an architect or engineer.

Consulting Services: Contracted Services provided by individuals possessing specialized educational qualifications, practical expertise, or professional certification, including without limitation, architects, engineers, legal counsel, planners, accountants, and actuaries, where the final product is predominantly oral or written advice or information.

Contract: All types of County agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction. Contracts establish a procurement relationship with the contractor. The term shall not include any interest in real property by the County or another governmental body.

Contract Manager: The person who is responsible for contracts assisting in the preparation of bid invitations, the analysis of bids, and the award of contracts. This person is duly authorized to enter into and authorize contracts and make written determinations with respect thereto. Interchangeable with “*Contract Manager/County Manager: As authorized by the BoCC. Procurement Officer/Finance Director: As authorized by the BoCC.*”

Contract Modifications: A written alteration in specifications, delivery point, rate of delivery, period of performance, price quantity, or other provision of a contract accomplished pursuant to contractual conditions and leaving the general purpose and effect of the contract intact.

Cooperative Purchasing: Procurement that is conducted by, or on behalf of, more than one (1) governmental body.

County: County of Archuleta, Colorado, a statutory county with a primary business location of 398 Lewis Street, Pagosa Springs, CO 81147 and a mailing address of P.O. Box 1507, Pagosa Springs, CO 81147.

County Manager: The chief executive officer of the County.

Damages: Compensation, usually in money for injury to goods, persons, or property.

Debarment: A shutting out or exclusion for cause, as a bidder, from a list of qualified prospective bidders for a certain time. Interchangeable with “suspension”.

Department Head: A County Staff member who heads up one or more departments. For the purposes of this Procurement Policy, the term “Department Head” shall refer to Department Head, Elected Official, Appointed Official, or appointed or acting Department Head.

Designated Department Liaison: The primary contact in a department or office that handles and coordinates their contract and purchase requirements with the Contracts and Procurement Division. This individual will be required to receive annual training and become certified to receive a warrant/authorization that delegates their dollar spending level.

Designee: A duly authorized representative of a person holding a superior position.

Expedite: Effort to assure delivery of goods purchased in accordance with a time schedule, or to accelerate delivery, usually by contact of the purchaser with the vendor.

General Provisions: Governing clauses for all contracts by type of purchase or contract. Clauses devised especially for a given purchase are called special provisions.

Governmental Body: Any department, division, commission, council, board, bureau, committee, institution, legislative body, agency, government corporation, or other establishment of this County.

Independent Contractor (ICS): A person or entity engaged in a work performance agreement with another non-entity as a non-employee. The rules of the IRS code for determining whether an individual is or is not an independent contractor are complex. The determination needs to be made on a case by case basis.

Invitation for Bids (IFB): A formal solicitation extended by a Company (or their representative) to submit a bid or price for a specific construction project.

Legal Notice: Notice of proposed purchase as required by law. Depending upon the legal requirement, notice may be satisfied by posting an announcement of the purchase in a public place, notification of the appropriate bidders from the bidders list, formal advertisement in a newspaper or newspapers, or a combination of these methods.

Liquidated Damages: An amount of money, designated in a solicitation and as part of a contract, to be calculated on a per diem or other basis and paid upon default of a contract.

Local Preference: An advantage in consideration for award of a project granted to a bidder by reason of bidder's residence, place of business or origin of product offered.

Local Vendor: A business having a permanent physical location within the County limits of Archuleta County. A vendor is considered local if it has maintained a place of business in Archuleta County for at least twelve (12) months prior to the date of bid solicitation, and at least 50% of the employees are Archuleta County residents, and at least 50% of the fleet used for the project are registered in Archuleta County.

Lowest Responsible Bidder: Originally, the bidder submitting the lowest initial price and capable of performing the proposed contract. Under modern purchasing concepts, often construed as generally the same as the "lowest responsive and responsible bidder" or the bidder who submits the "lowest and best bid" or the "most advantageous bid, price and other factors considered." For clarity and accuracy, the recommended provision for determining award is the "responsive and responsible bidder whose bid is most economical for the purpose intended, according to criteria set forth in the solicitation."

Managerial Contingency: The difference between total project budget and award of bid as approved by the Board of County Commissioners. Managerial Contingency must be approved by the BoCC at the time the bid is awarded. Adequate funds must be available and are to be encumbered as managerial contingency on the Purchase Order.

Modification: Any formal revision of the terms of a contract.

Non-Capital Purchases: Services, supplies, and non-tangible property purchases.

Person: Any business, individual, union, committee, club, other organization, or group of individuals.

Principal: One who employs an agent; a person who has authorized another to act on his account and subject to his control.

Procurement: The process through which the County acquires goods and services for its own use.

Procurement Officer: The person who is responsible for the acquisition of commonly used goods and services or assisting in the preparation of bid invitations, the analysis of bids, and the award of contracts. This person is duly authorized to enter into and administer contracts and

make written determinations with respect thereto. This person is duly authorized to enter into and authorize contracts and make written determinations with respect thereto. Interchangeable with *Procurement Officer/Finance Director*: As authorized by the BoCC.”

Procurement Specialist: An administrator whose job includes reviewing appropriateness of purchase requests, preparing solicitations, obtaining quotations, bids or proposal for purchases, and evaluating responses of bidders and offerors for award of contracts; a buyer.

Professional Services: Services of a specialized nature, including, but not limited to, architecture, engineering, legal, accounting, hiring screening process (drug testing, nurse, chef, psych testing, etc.), equipment repair and maintenance, etc.

Proposal: An offer made by one party to another as a basis for negotiations for entering into a contract.

Proposal Evaluation Criteria: Factors, usually weighted, relating to management capability, technical capability, manner of meeting performance requirements, price and other important considerations used to evaluate which proper in a competitive negotiation has made the most advantageous offer.

Proposer: A person submitting a proposal in response to a Request for Proposal (RFP).

Protest: A complaint about a governmental action or decision brought by a prospective bidder, a bidder, contractor, or other interested party to the appropriate administrative section with the intention of achieving a remedial result.

Public Policy: That which is deemed by administrators to represent the public interest, or by courts to be general and well settled public opinion relating to the duties of men and government.

Purchase Description: The words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to, or made part of the solicitation.

Purchase Order: A request to purchase goods or services, typically provided to the vendor as a confirmation of the County’s commitment to purchase. Acts as a contract to formalize a purchase transaction.

Purchase Requisition: The form used to initiate award of Purchase Order, Blanket Purchase Order, or any other type of Sub-award including, but not limited to, Change Orders, Leases, Construction Contracts, and Consulting Agreements.

Purchasing: The process through which solicitations are issued, advertisements run, vendors selected, and goods or services received.

Regulation: A governmental body’s statement, having general or particular applicability and future effect, designed to implement, interpret, or prescribe law or policy, or describing organization, procedure, or practice requirements.

Request for Proposals (RFP): A process used to acquire supplies and services that involves the review of written proposals and the use of negotiations with the most qualified bidder(s). This process may also include the use of a Request for Information (RFI) as a preliminary step to the RFP process in an attempt to gather information and pre-qualify prospective bidders.

Request for Quote (RFQ): All documents, whether attached or incorporated by reference, utilized to solicit price quotes for a product/service requirement in a less formal procedure than the Request for Proposals or Invitation for Bids.

Requisitions: An internal document by which a using agency requests the Contracts and Procurement Division to initiate a purchase order.

Responsible Bidder: A person who has the capability in all respects to perform fully the contract requirements including, but not limited to, experience, integrity, reliability, capacity, facilities, equipment, and credit that will ensure good faith performance.

Responsive Bidder: A person who has submitted a bid or proposal that conforms in all material respects to the Invitation for Bids and Request for Proposal.

Scope of Work (SOW): A document that outlines all the essential project elements, the ultimate project management goal, work methodology, project timeline and resources.

Sealed Bid: A bid which has been submitted in a sealed envelope to prevent its contents being revealed or known before the deadline for submission of all bids; usually required by law or rule on major procurements, to enhance for competition.

Service Contract: A contract that calls for a contractor's time and effort rather than for a concrete end product. The term as defined here does not include employment agreements or collective bargaining agreements.

Services: The furnishing of labor, time, or effort by a contractor not involving the delivery of a specific end product other than reports which are merely incidental to the required performance, or repairs to an existing product. Any services done by a non-County employee regardless of amount, requires a contract.

Signature Authorization Summary: A list is to be submitted to the Finance Department annually. The Department Head is required to notify the Finance Department of any staff authorized to approve County expenditures up to \$5,000.00 in their department.

Sole Source Procurement: An award for a commodity or service to the only known capable supplier, occasioned by the unique nature of the requirement, the supplier, or market conditions.

Solicitation: the process of notifying prospective bidders or offerors that the jurisdiction wishes to receive bids or proposals for furnishing goods or services. The process may consist of public advertising, mailing Invitations for Bids or Requests for Proposals, posting notices, telephone or telegraph messages or electronic notification to prospective bidders, or all of these.

Specification: A description of what the purchaser seeks to buy and consequently, what a bidder must be responsive to in order to be considered for award of a contract. A specification may be

a description of the physical or functional characteristics or the nature of a supply or service. It may include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery. A purchase description.

Statement of Work (SOW): A statement that goes beyond what is usually included in cost estimates and/or project plans to add a layer of detail about what the project should accomplish. In some cases, an SOW can also be used within an organization between different departments or teams. An SOW includes an easily understandable description of the work required, using specific instructions or directions, and listing the tasks, conditions, and requirements for the specific project. All in all, the SOW defines what is — and what is not — included within a project.

Supplier: Any person having or soliciting a contract, professional service agreement, purchase order arrangement or any other agreement to provide goods or services with a governmental body. Interchangeable with “contractor” or “vendor.” An actual or potential contractor; a vendor.

Supplies: Tangible property that is typically used or consumed within a year. Examples include pens, paper, staples, fertilizer, chemicals, repair parts, etc.

Tangible Property: Personal property and materials, including without limitation, supplies, equipment, parts, printing, and consumable supplies, but not including insurance, real property leases, securities, or water rights.

Term Contracting: A technique by which a source of supply is established for a specific period of time. Term contracts characteristically are established through competitive sealed bidding and usually are based on indefinite quantities to be ordered “as needed,” although such contracts can specify definite quantities with deliveries extended over the contract period.

Terms and Conditions: A general reference applied to the provisions by which bids or proposals must be submitted, contracts are performed, and which are applicable to most purchase contracts.

Uniform Commercial Code: Uniform statute law adopted by states for consistency and modernity in law governing commercial transactions.

Warrant: A certificate delegating purchasing authority at a specific spending level on behalf of the County.

APPENDIX A. STATE OF COLORADO PROCUREMENT – CODE OF ETHICS

Any person employed by the State of Colorado who purchases goods and services, or is involved in the purchasing process, for the State, shall be bound by this code and shall:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
2. Demonstrate loyalty to the State of Colorado by diligently following the lawful instructions of the State of Colorado while using professional judgment, reasonable care, and exercising only the authority granted.
3. Conduct all purchasing activities in accordance with the laws, while remaining alert to, and advising the State of Colorado regarding the legal ramifications of the purchasing decisions.
4. Refrain from any private or professional activity that would create a conflict between personal interest and the interests of the State of Colorado (C.R.S. § 18-8-308).
5. Identify and strive to eliminate participation of any individual in operational situations where a conflict of interest may be involved.
6. Never solicit or accept money, loans, credits, or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence or appear to influence purchasing decisions.
7. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle.
8. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the State of Colorado and the public being served.
9. Provide an environment where all business concerns, large or small, majority or minority owned, are afforded an equal opportunity to compete for the State of Colorado business.
10. Enhance the proficiency and stature of the purchasing profession by adhering to the highest standards of ethical behavior.

APPENDIX B. FORMS

1. Sections 1.1 and 1.2 - IRS Form W-9
2. Sections 1.2, 2.4 and 2.5 - Archuleta County Tax-Exempt Certificate Arch and DHS
3. Section 1.5 - Document Disposition Records Form
4. Section 2.3 - Travel Authorization Form Arch and DHS
5. Sections 2.4 and 2.5 - Signature Authorization Form and Annual list
6. Section 2.5 – Purchasing Card Agreement
7. Section 2.5 – Missing Receipt Form
8. Sections 3.3 and 3.5 – Purchase Requisition Form and sample
9. Sections 3.7 and 4.8 – Check Request Form
10. Section 4.2 – Non-Disclosure Statement
11. Section 4.2 – Invitation for Bid - Sample
12. Sections 4.2 and 5.6 – Notice of Award and Notice to Proceed
13. Sections 5.1 and 5.11 - Contract - Archuleta Public Contract for Services Form
14. Section 5.11 – Contract - Public Works Service Contract

ACKNOWLEDGEMENT OF RECEIPT

I have received a copy of the Archuleta County Procurement Policy.

The Board of County Commissioners Approved dated _____.

I Understand that I am to become familiar with its contents.

This edition replaces all previously issued Archuleta County Procurement Policy Manuals. Information in this Procurement Policy will be reviewed at least annually and updated by the Finance Department as necessary so that the maximum use and benefit may be derived in accordance with its intended purpose.

This Policy encompasses all procurement activity conducted on behalf of the County. Any questions on any purchasing or payment situations should be directed to the Finance Department for assistance.

Employee Name: _____

Department: _____

Signature: _____

Date: _____