



Guide: Doing Business with the County

Contracts & Procurement Office

General Information

Our mission is to ensure that Archuleta County is receiving the maximum value for every dollar spent, while following appropriate policies, procedures and Colorado state statute. Along the way, we seek to be fair, honest and transparent with vendors and citizens, giving equal opportunity to compete for the County's business.

General Requirements

All vendors doing business with the County must supply a completed and signed IRS W-9 (Taxpayer ID Information Form).

Many vendors will be asked to provide proof of certain kinds of insurance, depending on the type of work being performed. Generally speaking, vendors should have Workers Compensation and General Liability insurance.

For Construction Contracts over \$100,000, the following will be required:

- Bid Bond at 5% of the Bid Amount (submitted with the Bid).
- Performance Bond at 50%, sometimes more, of the Bid Amount (submitted within 10 days of receiving an award).
- Payment Bond at 50%, sometimes more, of the Bid Amount (submitted within 10 days of receiving an award).

Purchasing Thresholds

The higher the expected amount of a given purchase, the more effort is put into vendor or product selection by County staff. This can be summarized as follows:

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| \$0-\$2,000: | Department Heads and Elected Officials may use their "best judgment" in selecting and authorizing expenditures at this level. |
| \$2,000-\$10,000: | Department Heads and Elected Officials must obtain 2 or more quotes and submit a Purchase Requisition to the Finance Department for approval. |

- \$10,000-\$50,000: Department Heads and Elected Officials must obtain 3 or more quotes and submit a Purchase Requisition to the Finance Department for approval. The Contracts and Procurement Officer may require a sealed bid process or additional analysis, depending on circumstances.
- \$50,000+: Must be authorized by the Board of County Commissioners and executed as a sealed bid process, under the supervision of the Contracts and Procurement Officer.
- \$100,000+: Must be authorized by the Board of County Commissioners and executed as a sealed bid process, under the supervision of the Contracts and Procurement Officer. Special bonding requirements also apply.

Opportunities: Below \$50,000

The County does not typically advertise or give notice of intent to procure goods, services, etc..., when the expected amount is less than \$50,000. Instead, County staff seek vendors by any means necessary; including searching the phone book and internet.

Improve Your Odds Through Self-Registration

In order to allow Businesses to improve their chances of being selected for this level of procurement, the County has added a **Vendor Directory** in the County Website. Businesses may *self-register* themselves by completing the on-line **Vendor Directory Application Form**. County staff seeking vendors are encouraged to search the appropriate category of the Resource Directory as part of their search for a provider.

Opportunities: Over \$50,000

Virtually all procurements in excess of \$50,000 are executed using a formal, sealed bid or proposal process. All sealed bid/proposal opportunities are advertised in the Pagosa Springs Sun for a minimum of two weeks and are posted to the **Bids & Proposals** section of the County website.

Automatic Notification – Sealed Bid/Proposal

The easiest way to keep abreast of sealed bid/proposal opportunities is to sign up for Automatic Notification of all bid/proposal opportunities. See the **Notify Me** link in the Archuleta County website. Once you are signed up, you will receive an email notification whenever a bid/proposal invitation is posted, or any other update, such as an addendum, additional documents, notice of award, etc...

Payment Issues

Successful vendors should submit their invoices directly to the County department that initiated the transaction; not to Accounts Payable. Payments will be made within 30 days. Note that all payments made by the County must be pre-approved by the Board of County Commissioners at one of their scheduled public meetings. Except for special purposes, they meet only twice each month, generally the first and third Tuesday of the month. Therefore, you cannot submit an invoice and expect payment in a couple of days!

No vendor can be paid until the County receives a completed IRS W9 form from the vendor. Payments are made by a "Warrant on the Treasurer". It looks like a check and does the same thing.

Local Preference Policy

Archuleta County's local preference policy is split between non-capital and capital purchases, as follows:

Non-Capital

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 within 10% of non-local vendor bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or Finance Department to be equal.

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 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.

Capital

Preferential consideration for local vendors and contractors will be given for **Capital** purchases in the event that solicited bids from local vendors are within **2%** of non-local vendor's bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or Finance Department to be equal.

For the purposes of this part of the Policy as it applies to Capital purchases, the following terms are applicable:

- The vendor has maintained a place of business in Archuleta County for at least 12 months prior to the date of the bid solicitation.
- Fifty-one percent (51%) of the work is self-performed,
- Whether or not this policy will apply will be determined on a case by case basis at the discretion of the Board of County Commissioners at the time the project is authorized for bid. Local preference will be stated in each and all bid documents.
- If a vendor has received a 2% credit in the preceding year and the contract is still in place at the time the bid is solicited, the vendor does not qualify for the 2% local preference.

Best Value versus Lowest Cost

When the County evaluates the cost of a given proposal, the primary concern is to find the Best Value, not the Lowest (initial) Cost. To do this, the following is typically considered:

Cost, including:

- Initial Cost
- Operating Cost (over the expected life of the product)
- Maintenance Cost
- Trade In or Salvage

Energy Efficiency (a sub-set of operating costs)

Warranties

Expected Product Performance

- Quickbooks @ \$50.00, versus
- Incode Accounting @ \$50,000.00

Discounts

Equipment Standardization, often related to Fleet

- Parts
- Maintenance Equipment and Procedures

Other Specific Criteria... depends on each item or service

Other Fairness Issues

Much of the hassle involved in doing business with the Government is actually related to safeguarding the interest of taxpayers and preventing Elected Officials or County staff from using "public money" to benefit their family, friends or associates.

For this reason, staff are forced to obtain quotes, or put intended procurements out to bid. Bid invitations must be publically advertised. Evaluation criteria must be defined in writing. Proposals and bids must be sealed until a defined "opening" time, and then become public documents, open for inspection. Award decisions are made in public meetings, scheduled in advance and reported in the press.

All of the above (and more) is done to insure:

- Equal assistance is given to all.
- Subjective favoritism is prevented.
- The public interest is served.

Contact Information

Questions should be directed to:

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