



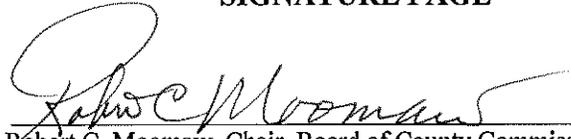
# **Archuleta County Procurement Policy**

**Amended and Adopted by the Board of County Commissioners  
August 17, 2009**

Archuleta County  
Procurement Policy

**SIGNATURE PAGE**

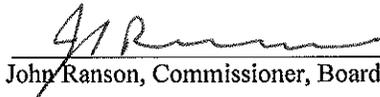
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Robert C. Moomaw, Chair, Board of County Commissioners

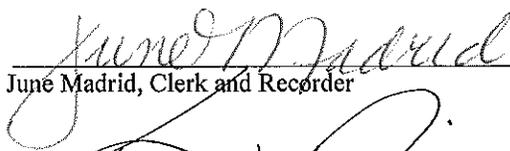
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Clifford Lucero, Commissioner, Board of County Commissioners

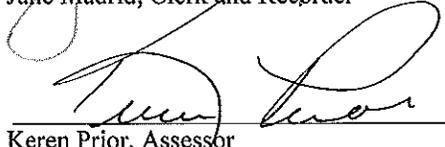
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John Ranson, Commissioner, Board of County Commissioners

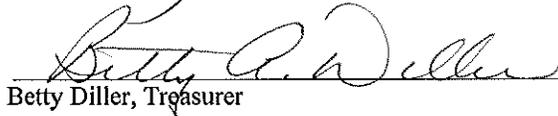
Adopted:

  
June Madrid, Clerk and Recorder

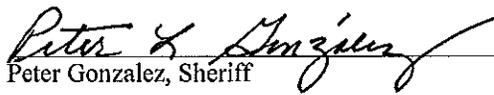
Adopted:

  
Keren Prior, Assessor

Adopted:

  
Betty Diller, Treasurer

Adopted:

  
Peter Gonzalez, Sheriff

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## SECTION 1. GENERAL PROVISIONS

### 1.1 PURPOSE

#### A. 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 timely 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; and
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.

#### B. General

The Contracts and Procurement Officer is the authorized representative 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 through §30-11-112.

Information in this policy will be reviewed at least biennially 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 payments situation should be directed to the Finance Department for assistance.

For the purposes of this Procurement Policy, the term “Department Head” shall refer to any person appointed as the head of a County department or acting in the capacity of a Department Head. Elected Official shall refer to any person Elected as the head of a County office or acting in the capacity of an Elected Official.

### **C. 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 is to provide responsible bidders 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 suit. This is accomplished by complying with statutory requirements and by the County’s procurement policy and procedures.

### **D. Best Value**

It is the responsibility of the procurement officer 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
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 (as defined by Part 1.6)
  - 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

#### **E. Procurement Relations with Other County Departments**

The Procurement Officer and Finance Department shall continuously familiarize itself with the particular requirements of the other County departments and be receptive to suggestions or comments. Whenever it is practical to do so, County requirements for 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 or Elected Official shall work with the Procurement Officer to estimate future needs so that price agreements and contract requirements can be accomplished. It is the responsibility of the Department Head or Elected Official, or authorized representative to ensure that needs are projected and goods and services requisitioned in advance of need. From time to time there may be a need for last minute, emergency purchases, but ideally the department 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 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 time period may result in the loss of timely accommodation of a department's needs.

#### **F. Forms**

All forms associated with this policy are located on the County's intranet, located under Departments/Finance/Contracts and Procurement Forms.

### **1.2 APPLICATION**

#### **A. 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.

**B. General Provisions/Restrictions**

1. No personal purchases may be made using the County's funds. Purchasing venues provided within this policy may be utilized only in the interest of the County.
2. Only County employees and approved volunteers, with supervisor's authorization, may purchase utilizing County funds.
3. Purchases must be charged to the proper account, regardless of budget availability in that particular line item.
4. Elected Officials and County staff are encouraged to obtain bids from local vendors, as defined in Part 1.6, who are in compliance with any and all County's regulations and who are qualified to provide the requested goods or services. When all award factors are deemed by the employee or Finance Department to be equal, the bid shall be awarded to the local merchant.
5. For small purchases (i.e. supplies, food, etc.) under \$2,000, when similar products or reasonable alternatives are readily available from local merchants who are in compliance with any and all County's regulations, the purchase shall be made from the local vendor.
6. Alcohol may not be purchased with County funds, except in specific situations within the Sheriff's Office (liquor investigations, DUI training, undercover operations, etc.).
7. Sales tax is not to be charged on any purchase. The County's tax-exempt numbers should be given to the vendor before the sale is completed. The County's tax-exempt certificate is available on the intranet or from the Finance Department.
8. No multi-year financing obligations (i.e. space rentals, copier leases, etc.) may be entered into without the review and concurrence of the Finance Director, the County Administrator and the BoCC, and subject to annual appropriations.
9. All new vendors must provide a W-9 form to Accounts Payable. This will be kept on file in the Finance Department.

**C. Emergency Procurement**

Notwithstanding any other provision of this policy, the County Administrator or Sheriff may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions. A written determination of the basis for emergency and for the purchase or selection of the particular vendor or contractor shall be included with the purchase documentation (invoice, check request, etc.).

**D. Cooperative Purchasing**

The County Administrator 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.

**E. Negotiating Price**

Unless specifically stated otherwise within a bid or RFP document, the County Administrator, Department Head, Elected Official or designee will coordinate with the Procurement Officer to negotiate the price for any given product or service in order to achieve best value as defined in Part 1.1 D.

**1.3 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 (Appendix 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 and key rings, which shall not be considered gratuities. Vendors or bidders who offer 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.
- Will not play the “meet or beat” game with pricing among bidders.

- 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” (C.R.S. 24-72-203 and 72-204 Public Records).
- 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.
- Not label goods or services proprietary or sole source unless it is determined that they are and that determination can be documented.
- Not permit subjective favoritism; for example, statements like “We have always bought from that vendor” are reasoning that does not encourage or allow for competition.
- 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 Part 3.12.

#### 1.4 EXEMPTIONS

The following purchases are exempted 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 Part 2.1.

- A. Meals
- B. Travel expenses
- C. Subscriptions and dues
- D. Utilities and fuel
- E. Training, conferences and seminars
- F. Postage
- G. Building rent or lease payments
- H. Insurance
- I. Weed and rodent control cost-share
- J. Intergovernmental payments and agreements
- K. Debt service payments
- L. Inmate transfers
- M. Human Services contracts which are subject to federal and state requirements
- N. Items on State bid contracts
- O. 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.
- P. 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 date that 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, a selection committee may select the professional based upon the original solicitation, proposals or solicitation criteria.

- Q. 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.
- R. Land or Right of Way necessary to commence or complete a Capital Improvement Project.
- S. Services overseen by the County Surveyor or County Coroner.

Nothing in this Part 1.4 shall prevent the County from complying with the terms and conditions of any grant, gift or bequest that is otherwise consistent with applicable law.

## **1.5 PROCUREMENT RECORDS AND INFORMATION**

### **A. 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.

### **B. County Procurement Records**

County procurement documents include the following, and shall be maintained in a central location in the Finance Department:

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*: 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, includes 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 retained in the Finance Department.

## **C. Records Retention**

All procurement records consisting of bid documentation, purchase requisitions, purchase orders and vouchers shall be retained of the current year plus one (1) year prior and disposed of by the County in accordance with records retention guidelines and schedules as required by law. All procurement cards (credit cards) payments supporting documentation and files shall be retained of the current year plus six (6) years prior and disposed of by the County in accordance with records retention guidelines and schedules as required by law.

All original procurement records for the current year plus two (2) years prior shall be kept in the Finance Department. Records older than this shall be archived and added to the archive sheets.

## **1.6 DEFINITIONS**

### **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, repairs and maintenance agreements, and other items and/or services that may be repetitive by nature.

### **Board of County Commissioners (BoCC)**

The governing body of the County.

### **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 in excess of \$5000 and a life expectancy in excess of one (1) year. Includes machinery, vehicles, tools, road maintenance equipment, computers, furniture and 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 signed by the Procurement Officer and County Administrator or designee, directing the contractor to make changes, or changing non-contractual information on the County's purchasing system (i.e., account number, budgeted amount, etc.)

**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.

**Construction**

The process of building, altering, repairing, improving, or demolishing any public structure or building, or other public improvements of any kind to any public real property.

**Consulting Services**

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. The term shall not include any interest in real property by the County or another governmental body.

**Contract Modification**

Any written alteration in specifications, delivery point, rate of delivery, period of performance, price, quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

**Cooperative Purchasing**

Procurement conducted by, or on behalf of, more than one (1) governmental body.

**County**

Archuleta County, Colorado, a statutory county with a primary business location of 449 San Juan Street, Pagosa Springs, CO 81147 and a mailing address of P.O. Box 1507, Pagosa Springs, CO 81147.

**County Administrator**

The chief executive officer of the County.

**Debarment**

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

**Designee**

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

**Finance Director**

The Director of the Archuleta County Finance Department.

**Governmental Body**

Any department, division, commission, council, board, bureau, committee, institution, legislative body, agency, Government Corporation, or other establishment of this County.

**Invitation for Bids (IFB)**

A process used to acquire supplies and services that involves the review of written bids. This process may also include the use of a Request for Information (RFI) as a preliminary step to the IFB process in an attempt to gather information and pre-qualify prospective bidders.

**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 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.

**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.

**Non-Capital Purchases**

Services, supplies and non-tangible property.

**Person**

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

**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. Interchangeable with “Contracts and Procurement Officer.”

**Professional Services**

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

**Purchase Description**

The words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specification 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 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.

**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.

**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.

**Signature Authorization Summary**

A list, submitted to the Finance Department in January of each year by each department, of designated staff authorized to approve County expenditures up to \$2000.

**Specification**

Any description of the physical or functional characteristics, or the nature of a supply, service, or construction item. It may include a description of any requirement for inspection, testing, or preparing a supply, service, or construction item for delivery.

**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.”

**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.

## SECTION 2. ADMINISTRATIVE MATTERS

### 2.1 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 \$50
Purchase Orders	above \$2,000

#### **Signature Authority Guidelines:**

Department Heads, Elected Officials or designees...	up to \$2,000
Finance Director...	up to \$50,000
County Administrator...	up to \$100,000

#### **Bidding Thresholds:**

Buyer's best judgment	\$0 - \$2,000
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#### **Informal Bidding Procedures**

Two written or oral quotes	\$2,000 –\$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
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**Note:** Exceptions to the bidding thresholds may be made on a case by case basis as allowed within this purchasing policy.

#### **Exceptions requiring Board of County Commissioner (BoCC) approval:**

Capital improvements over \$50,000  
Non-budgeted transactions over \$10,000  
Budgeted purchases over \$50,000 and 15% over budgeted amount  
All Real Property purchases

## 2.2 SIGNATURE AUTHORIZATION

### A. 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 \$2,000. The list shall include the full signatures and initials of each authorized individual and the amount of signature authorization granted to the individual.

### B. Procedures

1. A Signature Authorization Summary (see Appendix B) 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:

Department  
Name of County personnel  
Title  
Authorization amount  
Effective Date  
Signature  
Authorizing signature of delegating supervisor

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 Finance.

## 2.3 TRAVEL

### A. 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 exempted from the provisions of this Part 2.3.

## **B. Procedures**

1. Approvals must be obtained in advance of travel.
  - a. County Administrator's approval necessary for all out-of-state travel, excluding parts of New Mexico within 100 miles from Pagosa Springs.
  - b. Excluding Elected Officials, County Administrator's approval necessary for Department Head's travel.
  - c. Appropriate supervisory approval 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 person and turned in to the Finance Department. The form will be used to generate any Accounts Payable checks required, pay the appropriate per diem, and match with actual receipts upon completion of the trip.
4. In many cases, registration fees and lodging will be paid for by a purchasing card (Part 2.5) or through the check request process (Part 3.7). These receipts and/or supporting documentation should be attached to the Travel Authorization Form and forwarded to the Finance Department in advance of any payment requests.
5. Upon completion of travel, actual receipts for registration fees, lodging, travel and transportation, business phone calls and other allowable expenses should be turned in to the Finance Department. Any allowable expenses with proper supporting documentation, such as receipts, paid by the traveler will be reimbursed within thirty (30) days.
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 airfare would have cost, the cost of a rental car with unlimited mileage and actual gas costs, or mileage reimbursement).

7. Amount per mile of mileage reimbursement is set at the current Internal Revenue Service's allowable rate per mile. Please contact the Finance Department for the current allowable rate.
8. A meal per diem is allowed for travel requiring an overnight stay. Contact the Finance Department to determine the rate allowable for the county to which you are traveling, or the rates are available on line at:  
<http://www.irs.gov/publications/p1542/ar02.html#d0e307>  
  
The per diem amount should be pro-rated for partial travel days and pro-rated for meals provided by the seminar/conference (if applicable) as follows:
  - a. 50% of the daily per diem rate is allowable for dinner, 25% each for breakfast and lunch.
  - b. If actual costs are more than the per diem amount, the employee is responsible for the additional amount. If actual costs are less than the amount of the per diem, the employee may keep the balance.
  - c. No receipts for meals are required by using the per diem system.
9. A personal incidental per diem of \$10 per day is allowed for travel requiring an overnight stay for miscellaneous incidentals such as phone calls home and tips.
10. Refer to the County's Personnel Policy 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.

## **2.4 PETTY CASH POLICY**

### **A. General**

Petty cash is available to cover nominal purchases (not to exceed \$50) and may be disbursed as an advance or reimbursement.

### **B. Procedures**

1. Petty cash funds may only be established, or the amount of the bank increased or decreased, by the Finance Director, Treasurer or designee.
2. Petty cash must be kept in a locked box in a secured location. Not more than two departmental personnel should be allowed access to the petty cash box. All department requests for petty cash must be accommodated by one of these two designated individuals.

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3. The designated petty cash individuals are responsible for ensuring that the cash in the box plus the total of all petty cash slips exactly equals the total amount assigned to the department. Unannounced petty cash counts will occur periodically during the year.
4. To obtain a cash advance for a petty cash purchase, a petty cash slip must be filled out by the employee indicating the following:
  1. Amount of advance
  2. Vendor
  3. Account number
  4. Description of purchase
  5. Date
  6. Employee's signature
  7. Approval signature

The slip is kept in the petty cash box until the employee returns with the cash receipt. The actual amount of the purchase should be recorded and circled on the petty cash slip, the cash receipt coded and stapled to the petty cash slip, and the change from the advance returned to the petty cash box. Cash advances may not be held by the employees for more than two business days.

5. To obtain reimbursement for a purchase made, a petty cash slip must be filled out by the employee indicating the following:
  1. Amount
  2. Vendor
  3. Account number
  4. Description of purchase
  5. Date
  6. Employee signature
  7. Approval signature

Attach the cash receipt to the petty cash slip. The slip is then exchanged with the Finance Department for a cash reimbursement.

6. To obtain a funding/reimbursement check to reimburse the fund, all petty cash slips and remaining cash should be turned into Accounts Payable to ensure that the balance is properly accounted for, and to create a funding check. Petty cash slips must be accompanied by the appropriate receipt or acceptable notation of why a receipt was not available in order to be funded.
7. The \$50.00 limit shall not be circumvented by making two separate purchases of related items and submitting two receipts, when the total exceeds the \$50.00 limit.

## 2.5 PURCHASING CARD POLICY

### A. 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.

### B. Authorization for Purchasing Card

Employees must be authorized by the Department Head or Elected Official based upon both the need for a purchasing card and the signature limits. Employees so authorized shall be listed on the Signature Authority list in the Finance Department and shall sign a Purchasing Card Agreement (see Appendix B) prior to card issuance.

### C. Card Use

For any purchase, card users should always verify:

- That purchasing card purchases are limited to those transactions completed upon purchase.
- The availability of the item being charged when placing a telephone or fax order. Back orders should not be charged until time of shipment.
- The combined price and freight charge being charged is under your signature authority dollar limit.
- That sales tax is not being charged. The County's tax-exempt number is imprinted on the purchasing card. In addition, a copy of the tax-exempt certificate is available on the intranet or from the Finance Department.

When placing an order by FAX, phone or mail, request that the **receiver's name** and **"credit card purchase"** be put on the shipping label or packing list to expedite delivery and request that a receipt be sent with the purchase. Refer to Part 3.8 D for On-Line Purchasing.

If an attempt to make a purchasing card transaction is denied, contact the Finance Department (970-264-8555) as soon as possible to resolve the problem. If there is concern that a transaction may be denied, contact the Finance Department in advance to authorize the vendor, or ask the vendor to run a pre-authorization on the purchasing card to make sure the transaction will go through.

**D. Receipts**

All charges will require a receipt. All receipts shall be submitted to the Finance Department with the monthly statement. Receipts shall be coded with the appropriate account number and a description of the reason for purchase.

If merchandise is to be returned, verify that the vendor will credit the purchasing card account. Request a copy of the credit statement and submit it with the monthly statement.

If a receipt is lost, or was never provided by the vendor, a Missing Purchasing Card Receipt Form (see Appendix B) shall be completed, approved by a supervisor and attached to the monthly statement.

**E. Unacceptable Uses**

- Purchases over the signature authority limit. Dividing an order to satisfy this limit is not allowed.
- 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 IRS reimbursement rate.
- Personal expenses of any type, including insurance copays, alcohol or unauthorized travel expenses beyond per diem allocation.

**F. 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", with a note attached showing the account to be credited. 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.

**G. 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 the item has been or will be shipped soon, it is recommended that the charge be paid at the time of the statement. If charges are paid but not received by the next statement, contact the Finance Department for assistance in resolving the problem.

**H. 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 Administrator.

**I. If Card is Lost or Stolen**

Keep the card in a safe place at all times. Contact the Finance Department Hotline (970-264-8555) immediately if the card is lost or stolen. If this contact cannot be made, call the number on the back of the card (you should make a copy of the card and keep this copy in a secure place), and then notify Finance as soon as possible.

## **SECTION 3. SOURCE SELECTION**

### **3.1 GENERAL**

All goods and services shall be purchased competitively if the aggregate total exceeds \$2,000, with the exception of those items set forth in Part 1.4. For purchases below the \$2,000 threshold, Buyer's best judgment is sufficient in selecting preferred vendor. Buyers must be named on the Signature Authorization list in the Finance Department.

### **3.2 SOLE SOURCE**

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. Examples of potential sole source purchases/services include: state bid, engineering or other professional or consulting services, 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, plumbing, phone etc.) and utilities.

When authorization above the Department Head or Elected Official level is required (expense above \$2,000), written justification for the sole source request shall be attached to the documentation requiring approval.

### **3.3 REQUISITIONING AND SPECIFICATIONS**

#### **A. 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 \$2,000 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 in Part 3.5 C. Should a vendor require a Purchase Order for an item less than \$2,000, a Purchase Requisition may be submitted and a Purchase Order will be generated.

All Purchase Requisition Forms must include the following:

- a. Requisition Date
- b. Item to be purchased (including item #, quantity, description)
- c. When goods or services are required
- d. Where goods to be delivered or services to be performed
- e. Specifications, if necessary
- f. Account Number to be charged (budget line item)
- g. Amount - projected cost of purchase
- h. Authorized signature

In addition, the requisitioner shall attach all informal bid and selected vendor documentation for any purchase request between \$2,000 and \$50,000. This should include original Requests for Quotes and responses, and vendor evaluation criteria if applicable.

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

## **B. Specifications**

For purchases exceeding \$50,000, 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 provide procurement staff 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:

- 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.
- Promote competitive bidding. The maximum number of responsible vendors should be able to bid the specification. Specifications shall not be unduly restrictive so as to limit competition.
- 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 specification. Tests should refer to nationally recognized practices and standards, whenever possible.
- Provide for an equitable award to the most responsible bidder while also providing for Best Value for the County in the most economical manner. 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.

## **3.4 LOCAL PREFERENCE**

- A. 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.

- B. 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.

### **3.5 PURCHASE ORDERS**

#### **A. General**

A Purchase Order is generally required to purchase goods or services that total \$2,000 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 \$2,000.

#### **B. Objectives**

The primary reasons for issuing a purchase order are as follows:

- 1) to facilitate prior approval for large dollar purchases,
- 2) to ensure adequate funds and to encumber funds on the accounting system,
- 3) to ensure adequate product specification for vendors, and/or
- 4) to facilitate vendor requirements.

#### **C. Procedures**

1. A Purchase Order is initiated by a Purchase Requisition. At the time of a Notice of (Contract) Award, or prior to the purchase of goods or services that total \$2,000 or more, a Purchase Requisition Form must be completed, authorized and submitted to the Finance Department. Should a vendor require a Purchase Order

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for an item less than \$2,000, a Purchase Requisition may be submitted and a Purchase Order will be generated.

2. The Purchase Requisition is reviewed by the Procurement Officer and, if complete, entered onto the accounting system by the Procurement Officer. A Purchase Requisition number will be generated by the accounting system at the time of entry. At the time of entry the funds are encumbered on the system appropriately decreasing budgeted funds available.
3. Once the Purchase Requisition has been entered, a copy of the Purchase Order will be printed for the requisitioner. 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.
4. The purchase order will be used by the Procurement Officer to legally authorize a purchase of goods or services from the vendor. Acceptance of a purchase order by the vendor constitutes a contract. All vendors for which purchase orders are used should send invoices to:  
Archuleta County  
Attn: Finance-Accounts Payable  
PO Box 1507  
Pagosa Springs, CO 81147

The Finance Department will verify that the department received invoiced goods, and then code the invoices as indicated on the Requisition Form and Purchase Order.

5. If, upon delivery of goods or services, the vendor provides an invoice for the item purchased, the requisitioner or other responsible employee should sign and code the invoice indicating receipt of goods or services and return the invoice to the Finance Department within three (3) days.
6. If the invoice you are forwarding 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 Part 4.8.
7. If the goods or services received are in different quantities or types from your order, and additional goods or services are forthcoming, the balances of the purchase order will remain encumbered until indication of final payment is received by the Finance Department.

**D. 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 period of time not to exceed one year.

A Blanket Purchase Order may be obtained for recurrent purchases. 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, gasoline, chemicals, etc.

As long as the dollar amount of aggregated purchases over a year period does not exceed the dollar amount required for bidding, Blanket Purchase Orders may be created without bid at the discretion of the Procurement Officer. Otherwise Blanket Purchase Orders must be bid every twelve months and follow the same procedures outlined in Parts 3.8 and 3.9 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, funds may be encumbered in the accounting system.

### **3.6 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 change in needed merchandise functionality, quantity, price, delivery date or scope of work/services.

Documentation for the change must accompany the request to the Finance Department. All change orders should reference the purchase order number which they are modifying. Once received by the Finance Department, the purchase order will be modified on the system.

The following situations apply accordingly:

1. If the change order does not modify the dollar amount of the purchase, and does not significantly change the purpose of the original order, no additional authorization is required.
2. If the change order increases the dollar amount above the signature authority threshold of the original requisitioner, additional authorization will be required.
3. If the change order modifies the account number, no additional authorization is required as long as the original signer had signature authority for the account to be charged, and there are adequate funds in the new account for the transaction.

4. If the Board of County Commissioners approved the original contract or purchase order and the change order is greater than 15% of the original amount, the Board must approve the change order.

Change orders shall not be used to circumvent dollar limits as outlined in Part 2.1.

### **3.7 CHECK REQUESTS**

#### **A. General**

A Check Request (see Appendix B) 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 include, without limitation, reimbursement for tuition, payment to other agencies under Intergovernmental Agreement and land or right of way acquisitions.

#### **B. Procedures**

1. Check Requests remain subject to Purchasing Thresholds and Signature Authority limits as set forth in Part 2.1. If the desired purchase totals over \$2,000, a purchase requisition is generally required.
2. Unless the transaction is exempt as set forth in Part 1.4, appropriate bidding procedures must be followed and documented for purchases above \$2000. This documentation is an ordinary requirement of the purchase requisition form (Part 3.3 A), 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:
  - a. Purchase Order # (if applicable)
  - b. Vendor or Payee
  - c. Dollar Amount
  - d. Account Number
  - e. Fixed Asset?            Yes\_\_\_\_\_    No\_\_\_\_\_
  - f. Authorized By
  - g. Approval Date
4. There are certain vendors to whom the County remits payment from statements rather than individual invoices. Examples are 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 B3. items c-g above.
5. For all other transactions not described by Part 3.7 B3 and B4, documentation supporting the transaction is required to be attached to the Check Request Form.

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This documentation should include that required in Section 3.7 B3. items b-g above as well as any additional supporting documentation such as IGA, MOU, deed, proof of payment (for reimbursements) etc.

6. Check requests should be submitted to Accounts Payable in sufficient time to allow payments to be made by vendor due dates. Any finance charges incurred from late payments will be charged to the responsible department. If the error that caused the late payment is caused by the Finance Department, the Finance Department will be charged.

### **3.8 INFORMAL PROCUREMENT PROCEDURES**

Purchases of goods or services having an estimated value of less than \$50,000 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 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 is available at:

<https://www.gssa.state.co.us/PriceAwd.nsf/Published%20Agreements%20by%20Category%20for%20Web?OpenView&Start=1&Count=200&Collapse=89#89>

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

#### **A. Small Purchases**

Departments may purchase small items that are priced under \$2000, and are not available from the central inventory, by using petty cash, purchasing card or a check request without submitting a Purchase Requisition Form. All policies and procedures herein pertaining to these purchase methods apply (Parts 2.4, 2.5, 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 Elected Official or Elected Official or authorized representative may solicit bids for small purchases in order to determine best value for the County. For small purchases, bid information shall be maintained by the department.

#### **B. Two Written or Oral Quotes**

Two written or oral quotes must be solicited prior to purchasing goods or services in excess of \$2,000 and less than \$10,000. 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 representative shall submit a Purchase Requisition Form to the Finance Department with all informal bid documentation attached as set forth in Part 3.3 A.

#### **C. Three Written Quotes**

Three written quotes must be solicited prior to purchasing goods or services in excess of \$10,000 and less than \$50,000. 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 Part 3.3 A.

#### **D. On-Line Purchasing**

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 place orders using a purchasing card only when the receiving web site is secure. To determine whether a web site is secure, look for a closed padlock on the lower right-hand corner of the screen. If the padlock is open or non-existent, the web site is not secure and should not be used for placing orders.

The Internet may also be used to acquire written quotes for items between \$2,000 and \$50,000. 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.

### **3.9 FORMAL PROCUREMENT PROCEDURES**

#### **A. Competitive Sealed Bidding**

##### **1. General**

The procurement of goods or services exceeding a total annual value of \$50,000 shall be competitively solicited through a sealed bidding process except those purchases which may be exempt as described in Part 1.4.

The Statement of Work (SOW) or specifications are critical 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 so as to limit competition. See Part 3.3 B.

Depending on the nature of the product or service, bids are not necessarily awarded based on price alone. A determination of Best Value, defined by Part 1.1 D, shall be used which may result in a non-award to the lowest responsible bidder. In situations where the low bid is not accepted, documentation of the evaluation criteria and the basis for the award shall be included with the written determination of award and in Invitation For Bids or Request For Proposals.

For repetitive purchases, it is not necessary to obtain bids with each purchase. These purchases may fall under the provisions of Part 3.5 D, “Blanket Purchase Orders”. However, a bid process must be conducted at least once every 12 months.

The County reserves the right to reject any and all bids, to waive any informalities and minor irregularities in bids, and to accept the bid deemed to be in the best interest of the County.

2. Public Notice

A project subject to competitive sealed bidding must be given public notice. The Procurement Officer shall publish a legal notice in the County’s newspaper of record or a newspaper of general circulation. At a minimum, 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 Solicitations

- 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 Part 3.9 A2 public notice requirements.
- b. **REQUEST FOR QUALIFICATIONS (RFQ):** An RFQ may be issued in order to pre-qualify any bidder, vendor, supplier, contractor or proposer prior to issuing an Invitation to Bid. An RFQ may also be issued in order to establish a pre-qualified bidder’s list which shall be kept in the Finance Department. For pre-qualifying on capital projects requiring architect-engineering services, a Standard Form 330 will be required (see Appendix B) An RFQ is subject to Part 3.9 A2 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 Procurement Officer or designee 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. In most cases, a Bid Acknowledgement (see Appendix B) will be a required part of the bid proposal. If prequalification is required for a project, such requirement shall be published in the IFB.

- d. **REQUESTS FOR PROPOSAL (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 a RFP may be appropriate include design services, professional services, janitorial services, specialized equipment or software purchases, etc. The RFP is subject to Part 3.9 A2 public notice requirements and should contain the following as a minimum: 1) A scope of services and/or detailed specifications; 2) The required time schedule; 3) Project budget; 4) General requirements; 5) Conditions and provisions; 6) Location, date and time for submittal of the proposal; 7) Evaluation criteria to be used for selection and award.

#### 4. Solicitation Procedures

Upon formal notification by the BoCC, the Contracts and 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 in order to preclude responder manipulation and ensure consistency of responses.

The Contracts and 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. Pre-Qualification

The Procurement Officer or designee may determine if a pre-qualification 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 pre-qualified on an annual basis or on a project by project basis. Pre-qualification shall occur through the issuance of an RFQ as described in Part 3.9 A3(b). The Department Head or Elected Official or Elected Official and/or project manager will review the qualifications and information to determine the acceptability of responding bidders. Qualified responders will be placed on a pre-qualified bidder's list kept in the Finance Department.

#### 6. Bid Evaluation

Bids shall be evaluated by a pre-determined Selection Committee 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.

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 Administrator 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 Solicitation

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.

## **B. Telephone and Facsimile Bids**

Telephone, email and facsimile bids will not be accepted in formal solicitations, unless the 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.

### **3.10 BID PROTEST**

A protest may be submitted on 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 policy.

When submitting a protest, the party must:

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

The Procurement Officer will send a copy of the protest to the County Attorney and the Department affected by the protest, if applicable. The Procurement Officer will review the issue with the appropriate staff, which shall include the County Attorney. Within seven (7) business days, the Procurement Officer will reply, in writing, to the aggrieved party. The Procurement Officer is the only person authorized 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.

### **3.11 DISQUALIFICATION OF BIDS**

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

- a. Vendor not attending a mandatory prebid conference or mandatory site visit;
- b. Documents as required by the IFB or RFP are missing from the bid;
- c. Unsigned bids;
- d. Bids received after the date and time for opening;

- e. Bids where prices are conditional on award of another bid, or when prices are subject to unlimited escalation;
- f. Irregularities in bid bonds;
- g. Alternative bids (those not conforming to the specifications) may be deemed non-responsive, and may not be considered for award;
- h. Bids submitted by nonqualified vendors;
- i. Multiple bids are submitted by the same vendor under different business names; and
- j. Evidence of collusion or other anticompetitive practices between vendors.

Any disqualified bids shall be returned to the bidder.

### 3.12 CONFLICT OF INTEREST

#### A. General

Except as provided in Part 3.12 B, 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.

#### B. 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.

### 3.13 VENDOR RESPONSIBILITY

All vendors are responsible for complying with the terms within this Procurement Policy. All vendor representatives should make initial contact on any sale or proposal only through the Finance Department. County staff should refer vendors and unsolicited proposals to the 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 suspect among vendors, notice of the relevant facts shall be transmitted immediately to the County Attorney, District Attorney and Colorado State Attorney.

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

- a. The appropriate financial, insurance, 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;
- b. A satisfactory record of performance and integrity;
- c. Good standing with the Better Business Bureau;
- d. The legal capacity to contract with the county; and
- e. Supplied all necessary information in connection with inquiry concerning responsibility including, but not limited to, any prequalification requirement as set forth in Part 3.9, when applicable.

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

The Finance Department shall keep a notebook of all vendor W-9 forms.

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 non-responsibility.

If a vendor who otherwise would have been awarded a contract is found non-responsible, a written determination of non-responsibility, setting forth the basis of the finding, shall be prepared by the county and the non-responsible vendor will be ineligible for the award.

### **3.14 DEBARMENT OR SUSPENSION**

#### **A. General**

The County Administrator with 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 Elected Official prior to making a recommendation to the County Administrator.

#### **B. 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 Administrator 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.

### **3.15 REFUNDS**

#### **A. 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 Accounts Payable and will be credited back to the applicable County cost center.

#### **B. Procedures**

1. A Check Request, or other department specific refund form, must be completed, authorized and submitted to Accounts Payable.
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 4. CONTRACTS

### 4.1 CONTRACT ADMINISTRATION

#### A. General

A County Representative(s) shall be identified on all contracts presented to the BoCC for award. The County Representative 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 County Representative who will notify the Contracts and Procurement Officer.

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

#### B. Types of Contracts

A County standardized contract which is appropriate to the procurement shall be used. Standard contracts are maintained by the Contracts and Procurement Officer. A non-standardized contract may be used with review and approval by the County Attorney as necessary.

1. Capital Improvement Contracts: Any contract for capital improvement into which the County enters. Only the County Administrator or the Chair of the Board of County Commissioners has the authority to sign a capital improvement contract for the County (contractual authority). A County Project Manager (or County Representative) 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 Contracts: 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. Only the County Administrator or the Chair of the Board of County Commissioners has the authority to sign a service contract for the County if the total annual value exceeds \$50,000; authority is also given to Elected Officials with the approved budget for any such service contract. 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.

A multiyear service contract may be entered into for a maximum of three (3) years, renewable automatically, provided it includes clear and reasonable termination clauses as to both parties and the funds are available for the first fiscal period at the time of contract. When funds are not appropriated or otherwise made available to support continuation of the contract in a subsequent fiscal period, the contract shall be cancelled and the contractor shall be reimbursed for the reasonable value of any nonrecurring costs incurred. Bids may be structured with stated annual price increases for each term; however, such bid prices and conditions shall remain firm for multiyear contracts.

3. Maintenance Contracts: Any contract for the yearly maintenance of equipment. Includes warranty contracts. These contracts shall be administered by the Procurement Officer or designated County Representative.
4. Grant Contracts: Any contract between the County and an outside agency (Agency) where the Agency gives the County money to perform to the Agency's standards and as specified in the contract. These contracts shall be administered by the Contracts 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 Chair of the Board of County Commissioners or its designee has the authority to sign a grant contract for the County.
5. Intergovernmental Agreement (IGA): 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 Chair of the Board of County Commissioners has the authority to sign an IGA for the County. The County Administrator or designated County Representative shall oversee the execution of each IGA.

## 4.2 CONTRACT EXECUTION

The following positions are authorized to execute contracts:

*Chair, BoCC*: The Chair, with BoCC approval, 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, non-budgeted contracts over \$10,000, and contract change orders in excess of fifteen percent (15%) the original contract amount.

*County Administrator*: If approved by the BoCC, the County Administrator may execute all standard contracts less than \$50,000 provided the procurement is funded in the current budget, and all non-budgeted contracts less than \$10,000. In addition, the County Administrator 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.

*Elected Officials:* If approved by the BoCC, Elected Officials 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 \$10,000.00. In addition, the Elected Official may execute any nonstandard contracts related to: computer software/hardware licensing agreements; and maintenance agreements.

*Finance Director:* As authorized by the BoCC.

*Procurement Officer:* As authorized by the BoCC.

### **4.3. BID SECURITY, PERFORMANCE AND PAYMENT BONDS**

#### **A. General**

When a contract is awarded, unless the County Administrator or designee deems otherwise, the bonds or security described by this Part 4.3 shall be delivered to the County and shall become binding on the parties upon the execution of the contract.

Nothing in this Part 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.

#### **B. Bid Security**

Bid security (Bid bond) in an amount equal to five (5) percent of the total amount of 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 the invitation for bid requires security, noncompliance requires that the bid be rejected.

See Appendix B for a sample Bid Bond form.

#### **C. Performance Bond**

Per C.R.S. §24-105-202, for construction contracts in excess of \$100,000, a performance bond (see Appendix B) shall be required, satisfactory to the County, executed by a surety company authorized to do business in this state, 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. The contractor shall deliver this bond to the County within ten (10) calendar days after the receipt of Notice of Award or at the time of execution of

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 other than construction contracts or on those of less than \$100,000 if the Finance Department deems it to be in the best interest of the County.

**D. Labor and Materials Payment Bond**

Per C.R.S. §24-105-202, for construction contracts in excess of \$100,000, a payment bond (see Appendix B) shall be required, satisfactory to the County, executed by a surety company authorized to do business in this state, 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 fifty percent (50%) 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 Notice of Award or at the time of execution of 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 other than construction contracts or on those of less than \$100,000 if the Finance Department deems it to be in the best interest of the County.

**E. 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.

**F. 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.

**4.4 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 insurance certificates shall include a requirement for naming the County as additional insured and 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.

#### **4.5 NOTICE OF AWARD**

The Contracts and Procurement Officer will issue a Notice of Award (see Appendix B) stating the terms of the contract award, including date of award, vendor, 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 included in the contract file.

#### **4.6 NOTICE TO PROCEED**

A Notice to Proceed (see Appendix B) shall be issued by the County Representative stating that the vendor shall begin work pursuant to the contract. Typically a Notice to Proceed is issued for capital improvements contracts when the specific start date has not been named in the contract. The vendor shall sign acknowledgment of this Notice and return it to the Contracts and Procurement Officer for inclusion in the contract file.

#### **4.7 CONTRACT COMPLIANCE & PROJECT INSPECTION**

##### **A. General**

The County 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.

##### **B. Stop Work Order or Contract Cancellation**

###### **1. Reason**

The County Project Manager or Representative may stop the project and the County may cancel the contract if the contractor commits any of the following acts which substantially constitute 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 Project Manager discovers that the contractor has committed any of the above acts, the 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 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 Administrator, 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.

## **4.8 FINAL PAYMENT**

Prior to final payment on a Capital Improvement contract, the Contracts 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.

## **4.9 CONTRACT PROTEST AND APPEAL**

All claims against the County by a vendor relating to a contract shall be submitted in writing to the Contracts and Procurement Officer for a decision. Matters regarding County policies and procedures are not subject to this Part. The Contracts and Procurement Officer shall consult with the County Administrator, County Attorney and appropriate County Project Manager, 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
- Disputes arising from contract modification or rescission

The decision of the Contracts 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.

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The Contracts 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.

#### **4.10 INDEPENDENT CONTRACTOR POLICY**

##### **A. General**

The County's Director of Finance 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, recreation instructor, 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.

##### **B. 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. Determination of status with County Attorney or Finance Director.
  - c. Negotiation of contract.
  - d. Personal Services Contract filed with Human Resources.
  - e. IRS Form W-9 filed with Accounts Payable.
2. Once the County Attorney or Finance Director's approval to contract with an independent contractor is received, terms need to be negotiated with that contractor. Each independent contractor must be given a copy of the W-9 (see Appendix B). Additionally each contractor must be made aware of the deadlines for payment processing through Accounts Payable.
3. A Personal Services Contract must be completed, signed, and forwarded to Human Resources. Human Resources will obtain the County Administrator's and Finance Director's signature. The original is kept in a file in the Finance Department. IRS Form W-9 must be completed, signed, and forwarded to Accounts Payable.
4. The attached Personal Service Contract should not be modified, unless approved by the County Administrator or designee.

#### **4.11 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 and Parts of this Procurement Policy. Final award, contract execution and ultimate contract administration shall remain in the purview of the County.

#### **4.12 FEDERAL CONTRACTS**

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 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 sub-award, 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 5. COUNTY ASSETS MANAGEMENT

### 5.1 CAPITAL ASSETS

#### A. General

The capital assets of the County consist of long lived resources, having a value in excess of \$5000 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 Procurement Officer. It is the responsibility of departments to inform the Procurement Officer of any actions affecting this inventory such as sale or transfer of equipment. Property asset tags, where appropriate, will be assigned by the Procurement Officer upon receipt of new capital equipment.

#### B. Disposal of Capital Assets

Departments disposing of any capital assets having a replacement value in excess of \$5000 shall notify the Procurement Officer. Procurement 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:

1. 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 assets, date, time and location of auction, contact information and website link to auction details.
2. Sold through other advertisement: When a public auction is deemed not practical or to not provide the maximum return for the item. Other advertisement includes the use of on-line services such as eBay or the County web page.
3. Donated to a local public service agency.
4. Donated or sold to County employees: Obsolete computer equipment which is deemed by the IT Department likely to net less than \$25, or any other capital asset, such as furniture, likely to net less than \$25 may be 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.
5. 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 Procurement Officer shall be notified and authorization shall be given by the Finance Department.**

## **5.2 REAL PROPERTY ASSETS**

### **A. General**

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

### **B. 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 and Parts 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.

### **C. Disposal of Real Property**

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

1. **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 to include at a minimum a general description of assets, date, time and location of auction, contact information and website link to auction details.
2. **Sold through other advertisement:** When a public auction is deemed not practical or to not provide the maximum return for the property. Other advertisement includes the use of a real estate agent or on-line services.

3. 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.
4. Land trades: Federal agencies, such as the USDA Forest Service, commonly engage in land trades 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.
5. 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, with the exception of 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 Administrator and Finance Director.

### **5.3 INFRASTRUCTURE ASSETS**

#### **A. General**

County infrastructure assets consist of long lived resources, having a value in excess of \$5,000 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 County Asset Technician 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 Asset Technician shall assign each item with a unique identifier, either through the use of an asset tag, detailed description or other feasible means.

#### **B. 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 and Parts 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.