LOGAN COUNTY PURCHASING POLICY AND PROCEDURES

BOARD OF LOGAN COUNTY COMMISSIONERS

LOGAN COUNTY, COLORADO

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Adopted July 3, 2012

Revised June 21, 2016

Effective Period: Until Superseded

Review Schedule: Annual

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STATEMENT OF POLICY AND PURCHASING ETHICS

Logan County presents this Purchasing Policy to assist each County employee or officer who directly buys goods and services.

The County Finance Department will assist with procedural questions and processing of paperwork, but the individual department is responsible for following County policies in purchase decisions.

The purpose of the Logan County Purchasing Policies and Procedures is to provide a framework for efficient and cost effective purchasing for all county operations. The contents of these policies and procedures do not create any property or contractual rights between the county and any supplier of goods and services.

Except when specifically authorized by statute or regulation to act otherwise, this policy shall apply to all Elected Officials, Department Heads, employees, contractors, and agents for Logan County. The ultimate authority to purchase items or contract for services lies with the Board of County Commissioners and may only be delegated or authorized pursuant to the provisions of this policy.

The purchasing policy's primary purpose is to communicate policies and give guidance to personnel with delegated purchasing authority. This policy has been designed to:

- Comply with Colorado Revised Statutes, as amended
- Encourage maximum competition on a basis of fair and equal opportunity to qualified and interested bidders
- Provide a uniform procedure for the procurement of material, equipment, supplies and services
- Ensure that the county is getting the best overall value for taxpayer dollars. Some of the factors considered when determining the "best overall value" are:
    - Price
    - Warranty
    - Service
    - Availability
    - Past Performance
    - References

Logan County's goal is to procure materials, supplies, equipment, and services at the lowest possible cost and consistent with quality required. All authorized employees purchasing on behalf of the County are expected to use public monies wisely; therefore, any employee making any purchases must buy in an honest and prudent manner that results in getting the best product or service for the fewest taxpayer dollars.

It is also suggested to delay large purchases until February or later in the New Year to allow for receipt of property tax revenue.

The purchaser's timely completion of all the proper documents results in overall efficiency of county purchasing as a whole and ensures complete communication. It can also help the County take advantage of payment/price discounts.

Throughout this policy, responsibilities are defined. You can generally answer questions by referring to this policy. Requests for exceptions are to be reviewed by the Finance Department prior to final approval by the Board of County Commissioners.

RESPONSIBILITIES:

- The initiating department has the responsibility for the procurement of goods and services or give functional directions to others delegated the authority to perform such services.

- The initiating department is responsible for initiating and maintaining effective and professional relationships with suppliers, actual and potential.

- The initiating department will conduct all correspondence with suppliers involving prices or quotations. In cases where technical details are necessary, the initiating department may correspond with suppliers regarding technical issues. In such cases, copies of all such correspondence should be attached to the purchase order requisition.

- ***Some items may require additional review and approval prior to purchase. Examples of these items, although not all inclusive, are:***

    - Computer Equipment and Software
    - Vehicle Purchases
    - Communication Equipment (pagers, cell phones, usage plans, etc).
    - Maintenance contracts

- Personnel involved in purchasing activities will recognize and practice good public relations by giving all callers and visitors courteous treatment, and will strive to maintain and enhance the County's image by their personal conduct and methods of doing business.

- Purchasing personnel are to obtain and purchase goods at the lowest possible total end-use cost, considering the guidelines of prices, service, quality, and delivery. The initiating department is to assume full authority to question the quality and kind of material sought in order that the best interests of the County may be served.

- Initiating departments shall work with the Finance Office to ensure budgetary compliance. A purchase may not be made without a prior appropriation.

EXCEPTIONS:

The provisions of this policy are mandatory on all Logan County purchases and contracts unless Colorado Statutes or regulations require a different procedure.

In addition, exceptions are allowed for purchases or services necessary due to **General Maintenance or Repairs of the following items -**

- **Buildings**

- **Equipment**

- **Vehicles**

A minimum of three (3) quotes is required with documentation attached to the voucher when submitting for payment. If three (3) quotes are not available, detailed justification is required. If any pertinent information is missing it will be returned to the department for completion.

Any purchase or contract which does not follow the provisions of this policy may become the personal responsibility of the individual who authorized the purchase or signed the contract. Failure to follow the provisions of this policy may be grounds for disciplinary action or modification of budgets.

DEFINITIONS:

Bid – The response to an Invitation for Bids.

Bidder – Any person or vendor who submits a bid.

Capital Assets - Non consumable items, such as vehicles, operating equipment, furniture, copiers, computers, etc. valued $5,000 or greater.

CFR – Code of Federal Regulations.

Competitive Bid – A procedure inviting available vendors to compete with each other to provide goods or services to the County.

Declared Emergency – A declaration made by the Board of County Commissioners or Colorado Department of Local Affairs in which some normal functions of the County are affected. Such declarations usually come during a time of natural or manmade disasters and emergency preparedness plans may need to be used and put into action.

Department – For purposes of these rules, department includes all Elected Officials and Department Heads.

Durable Equipment – goods that yield utility over time rather than being completely consumed in one use.

Emergency Purchase – Purchases made in the event of a Declared Emergency where the County's ability to serve the public would be impaired if purchases are not made immediately.

General Maintenance or Repairs – The care and servicing of equipment and facilities due to normal wear and tear.

Invitation to Bid – A means of notifying vendors that the County has specific requirements for materials and/or supplies and the County is offering vendors an opportunity to fulfill those requirements. This is a formal means of soliciting price quotes requiring formal advertising, and sealed bids.

Local Business – A business which maintains a physical place of business in Logan County.

Price Quote – A price for goods or services obtained by telephone, email, fax, or in writing.

Purchase Order – A legally binding document provided to a vendor requesting that the vendor supply the County with goods and services as specified.

Purchasing Authority – The authority approved by the Board of County Commissioners authorizing Department Heads, Finance Director, or other authorized designees the authority to purchase goods or services for the County within specified limits.

Purchasing Ethics – Rules defining ethical conduct of County employees and vendors participating in the purchasing process as stated in Article 18 of Title 24 of the Colorado Revised Statutes.

Request for Proposals – A means of notifying vendors that the County has specific requirements for goods or services and the County is offering vendors an opportunity to fulfill those requirements.

Requisition – A document requesting a purchase to be made on behalf of the County. This is the first step after the need for a good or service is recognized.

Small Assets – Durable items such as computers, laptops, or office furniture and is valued between $1000 and $4,999.99.

Small Inventory – record keeping of durable items that are valued between $1,000.00 and $4,999.99.

Specification – A concise description of a good or service the County is seeking to buy and the requirements the vendor must meet in order to be considered for the award.

Voucher – A document authorizing a purchase and receipt of items signed by the Elected Official or Department Head.

QUOTATIONS AND BIDS

REQUIREMENTS FOR INFORMAL BIDS

Purchases of goods or services $999 and under:

- It is at the discretion of the Department Head, Elected Official, or designated person to determine what is in the best financial interest of the County for individual single item purchases under $999 and such persons are authorized to make these budgeted expenditures without further authorization.
- ***Purchases in excess of $999 shall not be purposely divided into smaller components so as to avoid the more formal requirements of requisitioning and formal bidding.***
- Purchases in amounts less than $999 do not require a Purchase Requisition. However competitive price quotes from multiple sources is encouraged and should be noted on the voucher when submitting for payment.
- This policy applies to purchases made with grant funds, unless otherwise required by grant contract, and for repairs resulting from insurance claims.

Purchases of goods or services in the amount of $1,000 but less than $5,000:

- A Purchase Requisition form is required and must be signed by the Department Head or Elected Official and submitted to the Finance Office with supporting bid or quote documentation attached.
- It is required that competitive bids are received from a minimum of three (3) sources for purchases of at least $1,000 but less than $5,000. List minimum of three suppliers contacted and their response. **If three suppliers are not available note this information in the remark section of the requisition.**
- ***Purchases in excess of $5000 shall not be purposely divided into smaller components so as to avoid more detailed purchasing requirements.*** The general practice is to accept the lowest bid;

however, in the case the low bid is not the preferred choice a detailed reason needs to be included in the remarks section.

- ***Two signatures from the Board of County Commissioners are required PRIOR to any purchase of $1,000 or greater.***

- Finance Department will issue a purchase order upon approval by the Board of County Commissioners.

- Once the initiating department receives the purchase order, the approved purchase may be made. Under no circumstance will exceptions be given to vary from this policy unless ***approved by the Board of County Commissioners***. Any exception requires the signature of two County Commissioners.

- This policy applies to purchases made with grant funds, unless otherwise required by grant contract, and for repairs resulting from insurance claims.

Durable equipment valued between $1,000 and $4,999 is considered small inventory and tracked in the small inventory schedule.

REQUIREMENTS FOR FORMAL BIDS

Purchases of goods or services, Capital Assets, Remodeling or Construction of any County Property $5,000 or greater:

The term "formal bid" is used to identify solicitations which represent major purchases by Logan County. The difference between an informal and a formal bid is that a formal bid must be sealed and in writing.

1. The department desiring to purchase any goods or service, Capital Assets, or remodeling/construction of any County Property involving the expenditure of $5,000 or more, shall prepare the specifications and submit the same to the Board of County Commissioners for review.

2. The initiating department shall solicit bids so as to obtain as many bids as possible in order to obtain the best price, with the additional objective that all contractors and/or retailers having a place of business in Logan County, Colorado, have an opportunity to submit bids. Invitation for bids shall be solicited directly or by publication in the County newspaper or both.

3. In accordance with Federal regulations CFR (code of federal regulations) 200.321, Logan County will take necessary affirmative steps to assure that minority business, women's business enterprises, and labor surplus area firms are used when possible.

4. In cases when an item is "one of a kind" or there is little likelihood of competitive bidding, the Board of County Commissioners, unless prohibited by law, upon the affirmation vote of a majority of the Commissioners, may waive the requirement of soliciting bids in accordance with the provisions of this policy.

5. Bids shall be required on all motor vehicle purchases regardless of price. If a County-owned vehicle is available for trade-in on the purchase of a new motor vehicle, the Board of County Commissioners may consider the value of any trade-in allowance offers from prospective vendors in making its purchasing decision, but shall not be bound to accept any trade-in offers, regardless of amount.

6. All invitations for bids, whether by direct solicitation or advertisement, shall be mailed or delivered to the Office of County Commissioners in a sealed envelope and clearly labeled as a sealed bid. All bids, once submitted, shall not be amended or rejected except upon affirmative approval of a majority of the Board of County Commissioners and after discussion with the initiating department.

7. Each invitation for bid shall specify the date and time the bids will be opened, which shall not be less than ten (10) days after the invitation is solicited. Each invitation shall also further reserve the right to reject any and all bids, and unless prohibited by law, each invitation shall also reserve the right to accept a bid other than the lowest bid.

8. The Board of County Commissioners shall securely maintain each bid received, and no bid shall be opened by anyone at any time other than the time specified in the invitation. Each bid opening shall be public and the bidders shall have the opportunity to be present at such time, but no further bids or modification of bids shall be accepted at such time.

9. All bids for road construction in excess of $5,000 shall be advertised in the County newspaper as required by **Section 43-2-209 C.R.S.** In the event of an emergency, when the majority of the Board of County Commissioners, in their judgment, determines that invitation for bids for road construction, or for any other purpose, would be detrimental to the immediate preservation of the public peace, health and safety, the requirement for sealed bids may be waived.

10. Any purchases(s) of goods, service, or proposed construction submitted by any Elected Official or Department Head not in accordance with the provisions of this Resolution shall be rejected and any voucher submitted for payment shall be disallowed.

11. The issuance and acceptance of a formal bid is best accomplished by a cooperative effort between County Departments and the Board of County Commissioners.

REQUEST FOR PROPOSAL

At the discretion and authority of the Board of County Commissioners, an RFP (Request For Proposal) process may be used in lieu of the formal bid process.

1. Requests for this process may be prepared by the initiating department and reviewed by the Commissioner's Office with final approval to be made by the Board. Justification for such request may be required and be provided in written form.

2. The specifications are written using performance standards rather than the description of the good or services in a proposal. The specification also lists the factors by which the proposal will be judged, and the weight to be given to each factor.

3. Vendors submit proposals of their own design for a product to satisfy the requirements set forth in the proposal.

4. The County may consult with a prospective bidder in preparation of an RFP, however the RFP must be written in such a way that it does not prohibit other bidders from bidding and should in no way give preference to any prospective bidder's product.

5. After proposals are received, the County may enter into negotiations with as many vendors as have submitted feasible proposals to find the best possible proposal for each vendor.

6. Terms will not be disclosed until final negotiations are concluded.

BID REVIEW AND ACTION:

The Commissioner's Office will retain all original bids, bid summary sheet, and sign-in sheet, and will make them available for review to all interested parties upon request.

The initiating department evaluates the bids and recommends to the Board the award in the best interest of Logan County. The Board of County Commissioners makes the final award. It is possible that all bids may be rejected and the project abandoned, postponed, or the bid process reinitiated.

After final award, the office of the Board of County Commissioners shall then process and send to all bidders an announcement of award.

All original bid documents will be retained by the Commissioner's Office where they will be kept on file in accordance with applicable state archive rules.

FINAL AWARD:

The final award shall be made by the Board of County Commissioners in the best interest of Logan County. The Board of County Commissioners has the authority to accept or reject any or all bids and waive any required procedures except those required by law.

Board of County Commissioners may consider up to a 10% preference to local businesses. A local business shall be a business which maintains a physical place of business in Logan County.

REJECTION OF ALL BIDS:

Should no award be made, letters of rejection will be mailed from the Board of County Commissioners or initiating department.

CONTRACTS:

The Board of County Commissioners has the authority to enter into and sign any contracts made on behalf of Logan County. An Elected Official may have specific statutory authority to enter into them independently. The Board of County Commissioner's authority may be delegated in writing or by formally adopted written policy.

If the vendor is doing business with the county for the first time, a completed IRS Form W-9 from the vendor must be submitted to the Finance Department prior to any payment.

EMERGENCY PURCHASES:

(1) After declaration of an emergency by Board of County Commissioners or Colorado Department of Local Affairs, emergency procurements may be made without complying with the usual procurement requirements if there is an existing threat to public health, welfare or safety, or risk of a serious disruption of business operations, or risk of harm to county property. The Department Head or authorized Representative may consider this option in lieu of going through the **Quotation and Bids** process if that process would unduly disrupt department operations or endanger the public's health and safety.

(2) Emergency procurements may NOT be used as a replacement for normal purchasing procedures except in an emergency which is a threat to public health, safety or welfare, the financial interests of Logan County, or the business operations of the county.

(3) Emergency procurements shall be made with such competition as is practicable under the circumstances. In prolonged emergency situations, Department Heads or Elected Officials authorized to make emergency purchases shall request assistance of the Board of County Commissioners. The basis for the emergency and for the selection of the particular contractor shall be maintained as a public record with vendor payment records.

(4) A written record of emergency purchases should be kept in order for the Finance Department to process payment.

(5) The Department Head or Elected Official should attempt to secure by informal bid, if possible, the "best value" on any emergency materials, supplies, equipment, or services. Written documentation defining the emergency and the selection of the contractor or vendor shall accompany the voucher form signed by the Department Head, Elected Official, or Authorized Person.