# COLORADO DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

# DEPARTMENT PROCUREMENT MANUAL

**January 2019**

# STATEMENT OF PURPOSE

The purpose of this manual is to make all employees within the Department of Military and Veterans Affairs aware of the procedures they must follow in spending public funds (state, federal, trust and grant funds) in a responsible, lawful manner and to provide a tool to better understand the Colorado Department of Military and Veterans Affairs purchasing process. The Purchasing and Contracts staff follows and adheres to the Colorado Procurement and Fiscal Rules, and operates under the authority granted by the Executive Director of the Colorado Department of Personnel and Administration. This manual will provide each user the necessary steps to receive the right item or service at the right time and at the best price. Each topic in this manual has been placed in a separate **Section** to facilitate revisions and additions. Guidelines, forms and Internet addresses are listed in **Section 22**, and can be found at the end of the manual.

These are general standard guidelines for the Department. If you are unsure about proper procedure(s), check with the Purchasing and Contracts Office.

It is not feasibly possible to address every situation that might arise. Therefore, if your question is not answered, please contact the Purchasing and Contracts Office for additional assistance.

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**DMVA Procurement website**

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W9

****The above listed forms and/or links can all be found on the DMVA Purchasing and Contracts webpage ****

# ORGANIZATIONAL CHART
## November 2018

DMVA Deputy Director
Michael Hunt

RESOURCE MANAGER
Greg Dorman

PROCUREMENT DIRECTOR
Janet Jones

CONTRACT Administrator
Dana Stansbury

PURCHASING AGENT –
Pcard/Travel Administrator
Emiliano Barela

# QUICK OVERVIEW

## GOODS AND COMMODITIES

$0 TO $5,000 - Non-Recurring Purchases - No Purchase Order required. **(Section 11)**

Remember:

- Use your Procurement Card **(Section 14)**
- Use CCI if purchasing furniture **(Section 12)**
- Check the Prior Approval lists **(Section 13)**
- Use State Price Agreements **(Section 18)**

**$5,000.01 and Over - Plus Recurring Purchases exceeding $5,000 per year (Fiscal Rule 3-1) requires an encumbrance and commitment document (purchase order or contract).**

- Emergency procurement procedures - contact the Purchasing and Contracts Office. **(Section 1)**
- Plan accordingly☺.

## SERVICES

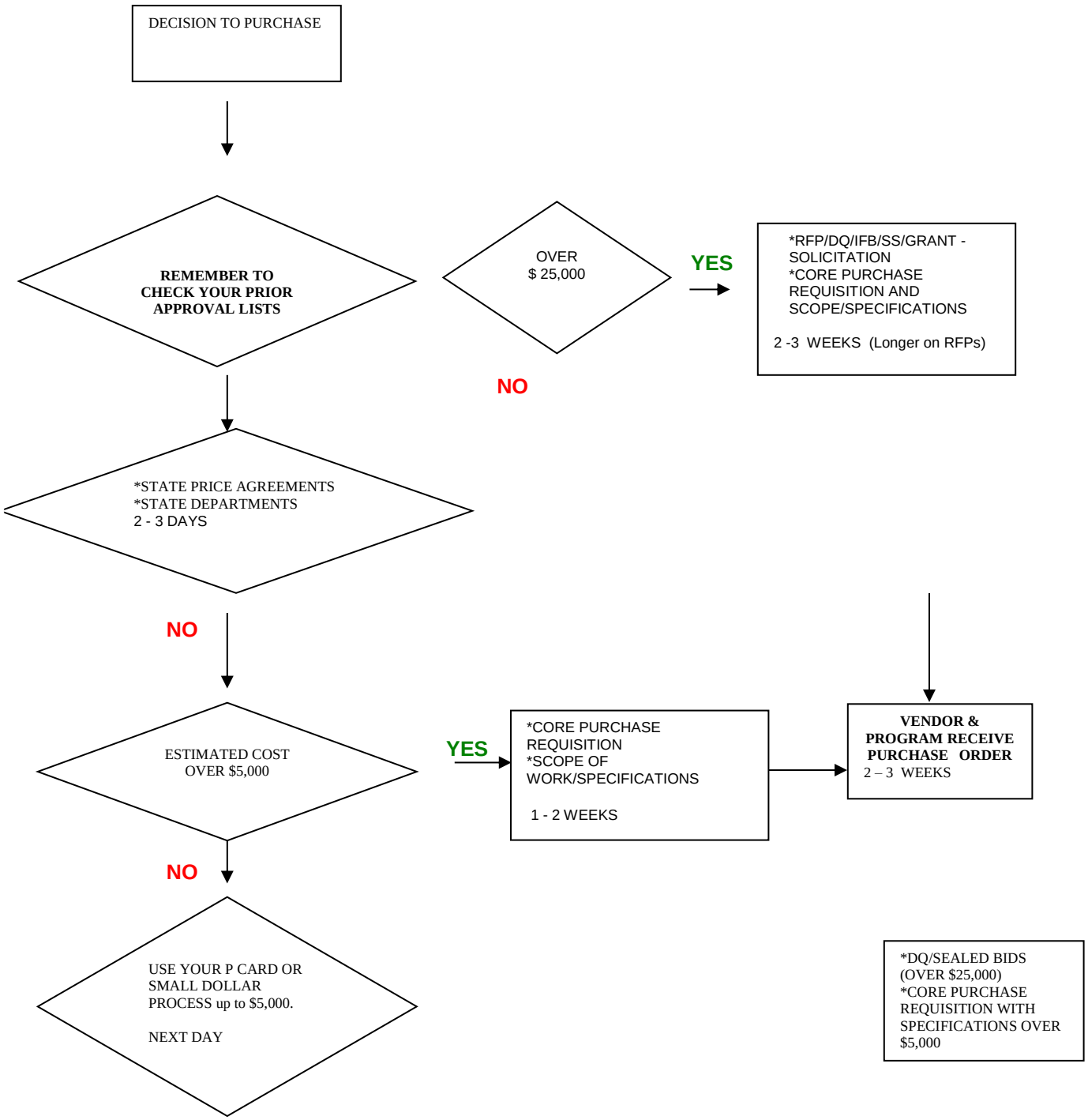
$0-$5,000 – use small purchase procedure **(Section 11)**

$5,000.01 and over – enter a purchase order requisition in the CORE system and attach the appropriate documentation. (**Section 10)**

See the flow chart and dollar thresholds on the next pages for approximate processing time and dollar limits.

**NOTE:** Per Fiscal Rule 3-1, membership dues and fees, registrations, postage, subscriptions and publications, non-hazardous trash collection services, and utilities (includes, water, and energy) do not require an encumbrance document.

# FLOWCHART


DECISION TO PURCHASE
REMEMBER TO CHECK YOUR PRIOR APPROVAL LISTS
OVER $ 25,000
YES
*RFP/DQ/IFB/SS/GRANT - SOLICITATION
*CORE PURCHASE REQUISITION AND SCOPE/SPECIFICATIONS
2 -3 WEEKS (Longer on RFPs)
NO
*STATE PRICE AGREEMENTS
*STATE DEPARTMENTS
2 - 3 DAYS
NO
ESTIMATED COST OVER $5,000
YES
*CORE PURCHASE REQUISITION
*SCOPE OF WORK/SPECIFICATIONS
1 - 2 WEEKS
VENDOR & PROGRAM RECEIVE PURCHASE ORDER
2 – 3 WEEKS
NO
USE YOUR P CARD OR SMALL DOLLAR PROCESS up to $5,000.
NEXT DAY
*DQ/SEALED BIDS (OVER $25,000)
*CORE PURCHASE REQUISITION WITH SPECIFICATIONS OVER $5,000

## Dollar Threshold Requirements for Goods and Services*

| | $0 - $25,000 | $25,000.01 - $150,000 | $150,000.01 |
|---|---|---|---|
| ***Discretionary*** *Always check Price Agreements and other State Departments* | *Procurement Discretionary for both Goods and Services* | *Never Discretionary.*<br><br>*Goods & Services must be put out for competition.* | *Never Discretionary.*<br><br>*Goods & Services must be put out for competition.* |
| ***Personal Services-Vendor Selection Quote.*** *Description of vendor selection and pricing.* | *Not Required.* | *Required. Details of pricing being fair and reasonable. Include any comparable pricing (if available)* | *Required. Details of pricing being fair and reasonable. Include any comparable pricing (if available)* |
| **Personal Services – Contract Waiver Review** | *Less than $5,000 not required. Over $5,000.01 (required)* | *Required.* | *Required.* |
| **Competitive Solicitation** | *Optional. An agency may solicit competition if it so chooses.* | *Never Discretionary.*<br><br>*Required for both Goods & Services.* | *Never Discretionary.*<br><br>*Required for both Goods & Services.* |
| **Documented Quote** | *Not required.* | *Never Discretionary.*<br><br>*Required for both Goods and Services.* | *Cannot be used.* |
| **Competitive Sealed Bid** | *Not required.* | *Not required.*<br><br>*At a minimum, a Documented Quote must be done.* | *Either a Competitive Sealed Bid or an RFP must be used.* |
| **Request for Proposal (RFP)** | *Not required.* | *Not required.*<br><br>*At a minimum, a Documented Quote must be done.* | *Either a Competitive Sealed Bid **or** an RFP must be used.* |
| **Purchase Order** | *Required over $5,000* | *Required for the purchase of Goods or Services over $5,000, but may use a contract.* | *Required for the purchase of Goods or Services over $5,000, but must use a contract for services over $150,000.* |
| **Formal Written Contract** | *Optional.*<br><br>*May be used if the Purchase Order terms & Conditions do not sufficiently protect the State.* | *Optional for the purchase of Goods.*<br><br>*Required for the purchase of Services over $150,000.* | *Optional for the purchase of Goods.*<br><br>*Required for the purchase of Services over $150,000* |

***Please note that the Dollar Thresholds for both Goods and Services are now $25,000.**

# CORE DEFINITIONS

CORE: Colorado Operations Resource Engine
URCATS: Universal Requestor Catalog Search
UR: Universal Requestor
RQS: Requisition
DO: Delivery Order
PO: Purchase Order
CT: Contract
RC: Receiver

**URCATS –** Used to search for commodities in the Catalog system. The search requires specific parameters in which to search for goods and services, i.e. item name or commodity number. The search will create a "shopping" cart and will ultimately create the UR document.

**UR –** Used to enter the required information, such as Accounting and shipping location(s), after completing the search through URCATS. This document will ultimately create the RQS or the DO document. This document does not encumber funds.

**RQS –** Used to create a purchase order requisition from the UR document. This document is also used by the Purchasing Office to create other documents, such as: solicitations, purchase orders, and contracts. This document pre-encumbers funds.

**DO –** Used to order commodities and services from available Price Agreements within the CORE Catalog. The Vendor receives this document, much like a Purchase Order, for goods and services at any dollar limit. This document does encumber funds.

**PO -** Used to encumber funds and order commodities and services. Requires the use of commodity codes. Accounting and commodity lines, are separate, but are linked. Requires a CORE RC** document and Vendor Invoice.

**CT -** Used to encumber funds and order commodities and services. Requires the use of commodity codes. Accounting and commodity lines are separated, but are linked. Requires a CORE RC** and vendor invoice. This document is most used for contracts.

**RC** -** Required to receive items ordered on PO, DO, and CT documents. Must reference the purchase order number and receive items by commodity line number.

** Commodity codes with 900 series do not require RC's

# PURCHASING DEFINITIONS

**Acknowledgment** – A form used by a vendor to advise a purchaser that an order has been received; usually implies acceptance.

**Acquisition** – The process of obtaining supplies, services, or construction through purchase, lease, or grants. The process includes the establishment of needs, description of requirements, selection of method of procurement, selection of sources, solicitation of offers, award of contract, financing, and contract administration.

**Addendum** – An addition or supplement to a document, for example, items or information added to a procurement document.

**Adjustment** – The amount of variation permitted by an adjustment clause in the contract generally permitting a change upward or downward in the price or obligations in case certain events transpire.

**Agreement** – 1. A duly executed and legally binding contract. 2. The act of agreeing. 3. A consensus of two or more minds in respect of anything done or to be done.

**All or None** – A bid submitted in response to an Invitation For Bids (IFB), in which the bidder states the bidder will not accept a partial award, but will only accept an award for all the items or services included in the IFB.

**Amendment** – 1. A revision or change to a document; often used to correct a solicitation. 2. An agreed addition to, deletion from, correction or modification of a document or contract.

**Appropriation** – 1. Sum of money from public funds set-aside for a specific purpose. 2. Legislative authorization to expend public funds for a specific purpose.

**Approval** – Official permission, consent, sanction.

**Arbitration** – 1. A process by which a dispute between two contending parties is presented to one or more disinterested parties (arbitrators) for a decision. 2. The resolution of a disagreement by such a process.

**Audit** – A methodical examination and review of records and documents, with confirmation by physical inspection or otherwise, of a situation or condition (as within a purchasing office), concluding with a detailed report of findings.

**Award** – The presentation, after careful consideration, of a purchase agreement or contract to the selected bidder or offeror.

**Best Value** – An assessment of the return, which can be achieved, based on the total life cycle cost of the item; can include an assessment of the functionality of the item; can use cost/benefit analysis to define the best combinations of quality, services, time, and cost considerations over the useful life of the acquired item.

**Bid** – An offer submitted by a prospective vendor in response to an Invitation For Bids (IFB) issued by a purchasing authority; becomes a contract upon acceptance by the buyer.

**Bidder** – One who submits a response to an Invitation For Bids (IFB).

## PURCHASING DEFINITION, Cont.

**Bid Documentation** – File containing all information relating to the bid, including requirements, purchase request, Invitation For Bids (IFB), all bids in response to the IFB, bid evaluation, and award information.

**Bid File** – A file containing the individual bids from all vendors solicited by the Invitation For Bids (IFB).

**Bid Opening** – The formal process in which sealed bids are opened, usually in the presence of one or more witnesses, at the time and place specified in the invitation for bids. The amount of each bid is recorded and bids are made available for public inspection.

**Bid Protest** – A formal complaint made against the methods employed or decisions made by a procurement authority in the process leading to the award of a contract.

**Brand Name or Equal Specification** – A specification using one or more manufacturers' brand names, with identifying model numbers, to describe the standards of quality, performance, and other characteristics needed to meet the requirements of a solicitation, and which invites bids for equivalent products from any manufacturer.

**Budget** – A forecast of planned receipts and allocation of expenses for a specific period of time.

**Buyer** – 1. A purchaser; can refer to the buying agency or government. 2. A worker in a procurement office who is appointed to purchase a specific range of goods or services on a routine basis, usually under the supervision of a section head or purchasing manager.

**Clarification** – A communication with an offeror for the sole purpose of eliminating minor irregularities or apparent clerical mistakes in a proposal; may be initiated by either offeror or purchaser; does not give offeror an opportunity to revise or modify its proposal, except to the extent the correction of apparent clerical mistakes results in revision.

**Commodity** – Any moveable, tangible article of trade or commerce.

**Commodity Code** – A system of words and numbers designed to identify and list commodities or services by classes and sub-classes.

**Competition** – The effort of two or more vendors to secure the business of a purchaser by the offer of the most favorable terms as to price, quality, promptness of delivery, and/or service.

**Competitive Bid Solicitation** – Solicitation of two or more qualified sources by invitation or public notice for the same requirement.

**Conflict of Interest** – An actual or potential situation in which the personal interests of a vendor, employee, or public official are, or appear to be, in conflict with the best interests of the jurisdiction.

**Consulting Services** – Services of an advisory nature to support policy development, decision-making, administration, or management of the government; normally provided by persons and/or organizations considered to have prerequisite knowledge or special abilities not generally available in the government.

**Contract** – 1. A legally binding promise, enforceable by law. 2. An agreement between parties, with binding legal and moral force, usually exchanging goods or services for money or other consideration. 3. All types of agreements, regardless of what they may be called, for the procurement or disposal of supplies, services, or construction. 4. An agreement between a contracting authority and a person or

business unit to provide a good, perform a service, construct a work, or to lease real property for appropriate consideration.

**Contract Amendment** – An agreed addition to, deletion from, correction or modification of a contract.

**Contract Award** – A final agreement on the terms and conditions of a contract between a buyer and seller.

**Emergency Purchase** – A purchase made to alleviate a situation in which there is a threat to health, welfare, or safety under certain conditions defined as an emergency by the jurisdiction, that does not allow time for normal, competitive purchasing procedures. Also called exigency purchase.

**Evaluation Factors** – In competitive negotiations, those factors specified in the RFP that will be considered in determining to whom a contract will be awarded.

**Evaluation of Bids** – The examination of bids after opening to determine the bidder's responsibility, responsiveness to requirements, and other aspects of the bid to determine the successful bidder.

**Fair and Reasonable** – A subjective evaluation of what each party sees as equitable consideration in such areas as terms and conditions, cost or price, assured quality, timeliness, and any other area subject to negotiation.

**Formal Bid** – A bid, which must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified time.

**Goods** – 1. Supplies or anything purchased or available for purchase, other than real property or services. 2. Any item of merchandise, raw materials, or finished goods; any inventorial items or assets of any kind, including fixed assets, supplies, and items in process of production.

**Informal Bid** – A competitive bid or price quotation for supplies or services that is conveyed by letter, telephone, or other means and does not require a sealed bid, public opening, or public reading of bids.

**Invitation for Bids (IFB)** – A formal request to prospective vendors soliciting price quotations or bids; contains, or incorporates by reference, the specifications or scope of work and all contractual terms and conditions.

**Late Bid or Proposal** – A bid, proposal, withdrawal, or modification received, a designated place for receipt, after the established due date and time.

**Letter of Intent** – A letter issued in advance of a contract in which the signer declares his intention to buy, manufacture, or deliver a product or service.

**Minority-Owned Business** – A business which is owned or controlled by a member of a recognized minority group, as defined by the jurisdiction.

**Modification** – Any written alteration to a provision of any contract accomplished by mutual agreement of the parties to the contract.

**Multiple Award** – The award of a contract to two or more vendors or contractors to furnish the same or similar supplies, or services, where more than one vendor is needed to meet the contract requirements for quantity, delivery, or service.

**Multi-Year Contracts** – Procurement contracts extending more than one year.

# PURCHASING DEFINITIONS, Cont.

**Non-Responsive Bid** – A bid that does not conform to the mandatory or essential requirements of the Invitation For Bids.

**Notice of Award** – A written notification from the jurisdiction to the successful bidder, or offeror stating that there is an award of a contract in accordance with a bid or proposal previously submitted, and that effective with receipt the vendor or contractor shall proceed with performance; allows work to start while contract is printed and readied for distribution.

**Offeror** – 1. One who submits a proposal in response to an RFP in competitive negotiation. 2. One who makes an offer in response to a solicitation.

**Open End Contract** – A contract which sets forth the general provision of supplies and services that may be delivered or performed within a given period of time, but in which quantity and/or duration is not specified. The quantity and delivery are specified with the placement of orders.

**Option to Renew** – An option in a contract that allows a party to reinstate the contract for an additional term, beyond that stated in original contract, in accordance with contract terms.

**Piggyback Method** – A form of intergovernmental cooperative purchasing in which a large purchaser requests competitive sealed bids, enters into a contract, and arranges, as part of the contract, for other public purchasing units to purchase from the selected vendor under the same terms and conditions as itself. Also called hitchhiking method.

**Pre-Bid Conference** – Meeting held with prospective bidders prior to solicitation of bids, to clarify any ambiguities, answer bidder questions, and ensure all bidders have a common basis of understanding regarding the supplies or services required.

**Price Agreement** – A contractual agreement in which a purchaser contracts with a vendor to provide the purchaser's requirements at a predetermined price.

**Procurement** – 1. Purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. 2. The combined functions of purchasing, inventory control, traffic and transportation, receiving, receiving inspection, storekeeping, and salvage and disposal operations.

**Professional Services** – Services rendered by members of a recognized profession or possessing a special skill. Such services are generally acquired to obtain information, advice, training, or direct assistance.

**Proposal** – 1. In competitive negotiations, the document submitted by the offeror in response to the RFP to be used as the basis for negotiations for entering into a contract. 2. A tender, bid or offer which may be either unsolicited or submitted in response to an invitation from a contracting authority. A proposal is usually requested in cases where the selection of a contractor is to be made on the basis of the performance that is offered rather than on that of price alone an may require an outline of details such as the vendor's qualifications and experience and the identification of problems and proposed solutions in addition to details of price.

**Protest** – A written objection by an interested party to a DQ, IFB or RFP solicitation, or to a proposed award or award of a contract, with the intention of receiving a remedial result.

# PURCHASING DEFINITIONS, Cont.

**Public Bid Opening** – The process of opening and reading bids at the time and place specified in the IFB and in the presence of anyone who wishes to attend.

**Purchase Order** – A purchaser's written document to a vendor formalizing all the terms and conditions of a proposed transaction, such as a description of the requested item(s), delivery schedule, terms of payment, and transportation.

**Purchase Requisition** – A request to obtain material or services and authority to commit funds to cover the purchase.

**Purchasing** – The act and the function of responsibility for the acquisition of equipment, materials, supplies, and services. In a narrow sense, the term describes the process of buying. In a broader sense, the term describes determining the need, selecting the vendor or contractor, arriving at fair and reasonable price and terms, preparing the contract or purchase order, and following up to ensure timely delivery.

**Qualified Bidder** – A bidder determined by the purchasing organization to meet the minimum set standards of business competence, reputation, financial ability, and product quality for placement on the bidders list.

**Receiving Report** – Form listing items or services received from a vendor; used to match purchase order, vendors' invoices, and payment vouchers before payment is made.

**Request For Proposal (RFP)** – 1. All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals. 2. A bid solicitation method used for requirements exceeding authorized limits when it is expected that negotiations with one or more bidders may be required with respect to any aspect of the requirements, or other factors will be considered in the selection of the contractor in addition to price, or only one source is being solicited.

**Requisition** – 1. An internal document by which a using agency sends details of supplies, services, or materials required to the purchasing department. 2. A request to obtain material or services and authority to commit funds to cover the purchase.

**Responsible Bidder** – A vendor who is fully capable of meeting all of the requirements of the solicitation and subsequent contract. Must possess the full capability, including financial and technical to perform as contractually required.

**Responsive Bidder** – A vendor who has submitted a bid that conforms in all material respects to the requirements stated in the IFB/RFP.

**Sealed Bid** – A bid submitted in response to an invitation to bid. Bid is submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission of all bids.

**Service-Disabled Veteran Owned Small Business (SDVOSB) -** A business of which is owned or controlled by a Service-Disabled Veteran, as verified by the Center for Veteran Enterprise within the U.S. Department of Veterans Affairs.

**Small Business** – 1. An independently owned firm, corporation or establishment, having a small number of employees, low volume of sales, small amount of assets, and limited impact on the market. Size of business characterized as "small" varies by industry and definition of the jurisdiction. 2. A United States

business which is independently owned and which is not dominant in its field of operation or an affiliate or subsidiary of a business dominant in its field of operation.

**Sole Source Procurement** – 1. Only one vendor possesses the unique and singularly available capability to meet the requirement of the solicitation, such as technical qualifications, ability to deliver at a particular time, or services from a public utility. 2. A situation where a particular supplier or person is identified as the only qualified source available to the requisitioning authority. Non-competitive situations arise when there is only one source capable of supplying the product or service (referred to as sole source); and when, although a number of sources exist which are capable of supplying the product or service, it is decided for any reason to direct the purchase to a particular source.

**Solicitation** – 1. A request for bids to provide supplies, services, or construction items. 2. A request for a priced offer to sell goods or services. It may be by an invitation for bids or a request for proposals.

**Specification** – A description of the physical or functional characteristics, or of the nature of a supply, service, or construction item; the requirements to be satisfied by a product, material, or process indicating, if appropriate, the procedures to determine whether the requirements are satisfied.

**Statement Of Work (SOW)** – Detailed description of the work that the purchasing jurisdiction wants the contractor to perform.

**Tabulation of Bids** – The recording of bids and bidding data listing items offered, prices, delivery schedules, etc., submitted in response to a solicitation for purposes of comparison, analysis, and record keeping.

**Terms and Conditions (Ts and Cs)** – All language in a contract, including applicable standard clauses and special provisions; the rules under which all bids must be submitted, and the stipulations, applicable to most contracts, often published by purchasing authorities for the information of all potential bidders.

**Vendor** – 1. One who sells goods or services; a supplier. 2. Supplier who has entered into a contract to sell goods/services to a federal government department or agency.

**Woman-Owned Business** – A business of which a given percentage is owned or controlled by a woman, and specified by the jurisdiction.

# COLORADO PROCUREMENT CODE

Articles 101 thru 112 of Title 24, Colorado Revised Statutes and the Procurement Rules promulgated there under, govern most procurements done for the Colorado Department of Military and Veterans Affairs. Procurement Rules can be found on the Internet.

Enter: State Purchasing Office
Click on link to Fiscal Rules
Click on link to Procurement

Any purchase made by the Colorado Department of Military and Veterans Affairs' Procurement Director, or designee, must be in accordance with this code. The Purchasing and Contracts staff is available to answer any questions that may arise. **If in doubt, please contact the Purchasing and Contracts Office for clarification prior to taking any action.**

**Please note: Section 24-30-202(3), C.R.S., entitled LIABILITY OF PUBLIC EMPLOYEES:**

**"If any governmental body purchases any supplies, services, or construction contrary to the provisions of this code, or the rules promulgated pursuant thereto, the head of such governmental body and the public employee, which for purposes of this Section includes elected officials, actually making such purchase shall be personally liable for the costs thereof. If such supplies, services, or construction are unlawfully purchased and paid for with State moneys, the amount thereof may be recovered in the name of the State in an appropriate civil action."**

## DELEGATION OF PURCHASING AUTHORITY

The Executive Director of the Department of Personnel and Administration pursuant to Section 24-102-302, C.R.S, has delegated the purchasing authority for the Colorado Department of Military and Veterans Affairs.

# CODE OF ETHICS

The following State of Colorado Code of Ethics is applicable to all purchases made by the Colorado Department of Military and Veterans Affairs (DMVA). Please read this Section carefully and be familiar with the meaning and intent. If you have questions and need further clarification, contact the Purchasing and Contracts Office.

## CODE OF ETHICS

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

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.

2. Demonstrate loyalty to the State of Colorado, DMVA, by diligently following the lawful instructions of the State of Colorado while using professional judgment, reasonable care, and exercising only the authority granted.

3. Conduct all purchasing activities in accordance with the laws, while remaining alert to, and advising the State of Colorado, DMVA, regarding the legal ramifications of the purchasing decisions.

4. Refrain from any private or professional activity that would create a conflict between personal interests and the interests of the State of Colorado (C.R.S., 18-8-308).

5. Identify and strive to eliminate participation of any individual in operational situations where a conflict of interest may be involved.

6. Never solicit or accept money, loans, credits, or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.

7. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle.

8. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the State of Colorado and the public being served.

9. Provide an environment where all business concerns, large or small, majority or minority owned, are afforded an equal opportunity to compete for State of Colorado business.

10. Enhance the proficiency and stature of the purchasing profession by adhering to the highest standards of ethical behavior.

# STOP BEFORE YOU BUY

Check for the following before you make a purchase:

State Price Agreements

ALWAYS Check the list of State Price Agreements to see if there is a State Commodity and Service Agreement. **(Section 18)**

Current lists may be obtained from the Internet.

Enter: State Purchasing Office
Click on link to Open Solicitations
Click on link to Current Price Agreements

Furniture

A MANDATORY Price Agreement is in place for Colorado Correctional Industries (CCI, formerly Juniper Valley.) for ALL furniture purchases. Please contact Purchasing and Contracts before placing furniture orders. **(Section 12)**

Internet Address http://www.coloradoci.com

Prior Approvals

There are **mandatory** Departmental and State approvals that are required on many commodities and services. Make sure you check these listings prior to ordering. **(Section 13)**

## SECTION 1

# EMERGENCY PURCHASES

Emergency purchases may be authorized by the DMVA Procurement Director when a threat to public health or safety under emergency conditions, as defined by rules, exists. An emergency condition, as defined by R-24-103-206-01 of the Colorado Procurement Rules and Fiscal Rule 3-1 **(Section 22)**, is a situation that creates an immediate threat to public health, welfare, or safety to the functioning of State government or preservation or protection of state property, such as may arise by reason of floods, epidemics, riots, equipment failure, or such other reasons as may be proclaimed. Such conditions create an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods.

Any DMVA authorized employee may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods. However, when practical, approval by the DMVA Procurement Director shall be obtained prior to the procurement. In the event an emergency arises after normal working hours, an effort should be made to contact the DMVA Procurement Director. If this is not possible, the Procurement Director or a Purchasing Agent shall be notified immediately on the next working day to ensure appropriate procedures are followed, i.e, issuance of a confirming purchase order if necessary. As soon as practicable, but **not later than the next business day, a written report of the circumstances and the nature and value of the commitments shall be made to the DMVA Purchasing Director**.

Competition should be obtained for emergency purchases when circumstances allow (for example, you may call three local suppliers to get competitive quotes on equipment or services). In addition, a written determination of the basis for the emergency and for the selection of the particular contractor or vendor must be prepared and placed in the file.

**<u>Only</u> the quantity of goods or services necessary to alleviate the emergency may be purchased under emergency conditions.**

**Poor planning does not constitute an emergency.**

## SECTION 2

# FIXED ASSETS

State Statutes require each department to institute and maintain systems of internal administrative and accounting controls for capital property. Tangible personal property is property that has a useful life of more than one year and an acquisition cost of more than $5,000, which is not a permanent part of a building and does not lose its identity through incorporation into a more complex unit.

The DMVA Finance and Accounting Office will identify assets that are capital property. The Finance and Accounting Office will issue a property tag to the user for placement on the equipment.

SECTION 3

# MAINTENANCE AGREEMENTS

Maintenance agreements are contracts for service and repair of equipment items. Such agreements are purchased for computer equipment that is not leased, office equipment, etc., when it is considered cost beneficial to do so rather than to pay for service on a per-call basis.

Maintenance agreements costing more than $25,000 must be obtained through a formal bid process issued by the Purchasing and Contracts Office. When the cost is over $150,000, or when the terms and conditions of a Purchase Order will not adequately protect the interests of the State (for instance, the maintenance of computing equipment), a formal contract rather than a Purchase Order is used.

State statutes require special wording for a contract to be binding. This special wording is not included in vendor forms, and therefore the State's interest may not be protected in a vendor's standard form. Some vendor forms may be amended and then referenced on a Purchase Order or contract.

**DO NOT** sign the vendor's contract forms. **DO** include them as an attachment to your requisition.

Any person signing or entering into a contract for the State who has not been delegated the authority to do so may be held **personally liable** for any amounts due under such contract. Employees with the Department of Military and Veterans Affairs, in order to protect themselves, **must not sign any contract or agreement form unless specifically authorized**. It is important to understand that authority to approve expenditures from a Cost Center budget does **not** constitute authority to bind the State to contracts or contract changes.

Software Maintenance Agreements are subject to the Office of Information Technology approval. To originate a Software Maintenance Agreement (under $25,000), a CORE RQS must be submitted with an attached proposal or quote that includes a full description of the service to be received, the vendor's name, and the price. In cases where monthly payment is required, a Purchase Order is issued for the current State fiscal year only.

NOTE: This Section does not cover personal service contracts that could be handled by a State employee or group of State employees.

## SECTION 4

# OFFICIAL FUNCTIONS and TRAINING

### State of Colorado Fiscal Rules, Rule 2-4

1. **AUTHORITY:**
   §24-30-202 (1), C.R.S. (State Controller Authority to Determine Processes for Liabilities)

2. **DEFINITIONS:**
   **2.1** Official Function – A meeting, conference, meal, training, or other function that is hosted by the Chief Executive Officer, or representative, of a State Agency or Institution of Higher Education, attended by guest and/or State employees, held for official State business purposes and includes an expenditure of State funds.

3. **RULE:**
   **3.1** Official Functions that include purchases of food and beverages have the potential of being perceived to be for personal benefit and an abuse of public funds. Attendance shall include only those individuals directly related to the purpose of the function. Purchases of food and beverages should be kept to a minimum and shall be approved by the Chief Executive Officer or by a representative of the State Agency or Institution of Higher Education who has been delegated authority by the Chief Executive Officer. All expenditures associated with an Official Function must meet the requirements in Fiscal Rule 2-1.

   **3.2** Permissible and prohibited Official Functions are further defined in the State Controller Fiscal Policies.

   **3.3** For all purchases of food and beverages, State Agencies and Institutions of Higher Education shall maintain documentation that includes the following:

   **3.3.1** Description of Official Function;
   **3.3.2** Justification for food and beverages;
   **3.3.3** Attendees; and
   **3.3.4** Chief Executive Officer or delegate approval.

Purchases that require an Official Function form **(Section 22)**: To include lodging rooms, conference rooms, food/meals/breaks, and audio/video equipment rental.

SPEAKERS, HONORARIUMS AND TRAINERS: Persons or groups who are to participate at the Official Functions.

TRAINING CLASSES: To include training for state employees only.

**Object Code 4180 must be used for Official Functions, standard objects of expenditures are used for Training Functions.**

Per Fiscal Rule 3-1, Official Functions related to Conference facilities at hotels or other venues that include, but need not be limited to, meeting rooms, audio/visual equipment, catering, and guest accommodation rooms do not require a Purchase Order or Contract, regardless of the disbursement amount.

**A signed and approved Official Function Form must be attached to the invoice and/or kept on file for all Official Function transactions in excess of $100.00.**

Functions Over $5,000.01, and not meeting the above criteria:
Enter a CORE RQS and attach a signed and approved Official Function Form. A description of the Function with as much detail as possible. Competition must be obtained and/or three or more (DOCUMENTED, IN WRITING, ON VENDOR'S LETTERHEAD) bid responses must be attached to the RQS and Official Function form.

The Purchasing and Contracts Office will process and print a CORE purchase order. Adequate time of two weeks must be allowed to process the purchase order and fax a copy to the vendor and requestor. There will be **NO** purchase orders processed or issued for official functions after they have taken place.

## SECTION 5

# OPEN END PURCHASE ORDERS

The purpose of the Open End Purchase Order is to provide a flexible and efficient way to buy routine products or services that are necessary for day-to-day operations. Per Fiscal Rule, purchases exceeding $5,000 for the year must be encumbered. These purchase orders permit authorized personnel to remain in control of their office's purchases by encumbering and setting aside the funds "up front" for a specific term allowing for payment of invoices as goods or services are received. Examples of a commodity or service that would be appropriate this type of purchase order are office supplies or lawn care services, when the fiscal year cost exceeds $5,000. Advantages are the reduction of paperwork, at the unit level and by the Purchasing and Contracts Office - repetitious paperwork, fund approvals, and processing time are eliminated as there is no need to create several purchase orders throughout the year.

**NOTE:** Per Fiscal Rule 3-1, membership dues and fees, registrations, postage, subscriptions and publications, non-hazardous trash removal services, recycling collection, heat, water and sewer, security alarm and safety systems and monitoring, and utilities (includes: water, utility hook-ups, relocations, and line extensions performed by a utility company), do not require an encumbrance document.

To initiate an Open End Purchase Order, the following procedures should be followed:

- Complete a CORE RQS document describing the items or service needed in the description section of the requisition. If the requisition is for a service, the required documentation must also be attached. **(Section 6)**

- Indicate if this is a new PO or renewal of a previous PO. If it is a renewal, please reference the prior year PO number in the PO Description field.

- Indicate quantity needed the timeline including a start date, and end date for the period covered by the purchase order, including hourly rates, and number of hours. Advantages is the reduction of paperwork, both at the unit level and by the Purchasing and Contracts Office - repetitious paperwork, fund approvals, and processing time are eliminated, there is no need to create several purchase orders throughout the year (for services), or the price by deliverables.

Purchase Orders resulting from multi-year bids may include options to renew for two or more years (typically the life of a bid does not exceed 5 years). Reference the bid number on the CORE RQS. Purchasing and Contracts will provide an end of fiscal year schedule for processing new fiscal year bids and purchase orders. You should plan on having all your final paperwork prepared by mid-May proceeding the new fiscal year.

- Advantages are reduction of paperwork, at the unit level and by the Purchasing and Contracts Office - repetitious paperwork, fund approvals, and processing time are eliminated, and there is no need to create several purchase orders throughout the year.

- Open End Purchase Orders are valid only for the <u>amount</u> and <u>time period</u> shown on the face of the order.

- No orders for goods or services may begin until the Purchasing and Contracts Office has issued the Purchase Order to the Vendor.

- Dollar limitations and time periods for these POs must be included on the CORE RQS. Purchases must <u>not exceed</u> the given dollar amount for the specified time (i.e; $25,000 July 1 through June 30). The dollar limit or the end date on the PO, whichever comes first, will control the expiration of the PO. Requests to increase the dollar amount or extend the date must be submitted to the Purchasing and Contracts Office **prior** to the depletion of funds or end date. See modification process Section 8.

- Unit Staff must prepare a CORE Receiver (RC) document for the receipt of goods.

- Invoices for goods or services purchased under an Open End Purchase Order must be submitted directly to the agency's Accounting Office for payment. Make sure the PO number is on the invoice. Accounting personnel will process the invoice for payment in accordance with their current procedures.

SECTION 6

# Personal/Purchased Services

## DEFINITIONS:

**Personal Services –** Services acquired for the State's direct benefit in its operations.

**Purchased Services** – The acquisition of services, which directly benefit specific groups or individuals in the public at large, as defined by law, from public or private entities licensed, certified, or otherwise authorized by statute to provide such services.

## REGULATIONS:

All Personal/Purchased Services requests must be received in the Purchasing and Contracts Office **PRIOR** to the start of service.

Personal/Purchased Services **are not** paid for with the Procurement Card. Services for repair or maintenance of equipment can be purchased with the Card.

| Range of Services | Specifications |
|---|---|
| Under $5,000 | • A Purchase Requisition **may** be used. |
| From $5,000.01 - $25,000 | • Procurement will make the decision if competition is necessary.<br>• Completion of Personal Services form **and** Business Case<br>• Cost Analysis |
| $25,000.01 - $150,000 | • Utilize Documented Quote, Invitation for Bid, Sole Source, Grant Specified or Request for Proposal (RFP) process. |
| Over $150,000 | • Must utilize a contract. |
| Up to $250,000 | • Purchase Order may be used for Computer Programming Personnel used from the State Price Agreements, using the process detailed in the price agreement. |

Continued on next page.

# Personal/Purchased Services

**FORMS:**

Required documentation for Personal or Purchased Services, and necessary forms, include the following:

**CORE Purchase Requisition (RQS)** with the following information:

**What:** Scope of Work
**When:** Beginning and ending dates for deliverables
**Where:** Location and by whom services are to be performed
**Cost:** Total cost, total hours, hourly rate or breakdown of all associated costs
**Approvals:** HR approval if services are not on the Department waiver, any additional prior approval requirements.

**Insurance - Required**

Make sure the contractor is informed of the insurance requirements and provides proof of insurance.
State of Colorado **must** be named as an additional insured.
In specific situations, the contractor might also need to provide Professional Liability Insurance.

**Certification for Personal Services Agreement**

Personal Services over $5,000:

- Required if the service is over 6 months in duration or is on a re-occurring basis (unless this service is stated in the Department Waiver.)
- Must have DMVA Human Resources approval prior to starting service.
- Must include a Business Case

**SECTION 7**

# Change Funds and Petty Cash Funds
# Fiscal Rule 6-2

1. Authority:
   §24-36-103(2), C.R.S. (moneys Transmitted to State Treasury)
   §24-30-202 (20.1) C.R.S. (State Controller Authority)

2. Definitions:
   2.1. Change Fund – A fund established at a State Agency or Institution of Higher Education that receives cash to allow for making change.
   2.2. Commercial Card – See Fiscal Rule 2-7 (State Commercial Cards)
   2.3. Petty Cash Fund – A fund established at a Stat4e Agency or Institution of Higher Education to allow cash payment for small, incidental expenses

3. Rule:
   3.1. Change Funds and Petty Cash Funds may be established based upon a written request from the Chief Fiscal Officer of a State Agency or Institution of Higher Education and approval of the State Controller, or the Controller's delegate. The request for approval shall state the purpose of the fund and contain justification for the amount being requested.
   3.2. Change Funds shall only be used for making change when cash receipts are accepted from the public, such as for fees and fines. No expenditures of any kind shall be authorized from a Change Fund.
   3.3 Petty Cash Funds shall only be used for payment of incidental expenses of a nominal amount such as postage, parking or expenses not otherwise paid by Commercial Card or warrant. Petty cash expenditures shall be consistent with all applicable statutes, rules, regulations, and executive orders.
   3.4 All Petty Cash Funds and all change funds shall be recorded on the State Financial System or on an approved State Agency or Institution of Higher Education accounting system.

**Check with the Finance and Accounting Office if you have questions about petty cash.**

SECTION 8

# PURCHASE ORDER CHANGES and MODIFICATIONS

Occasionally a change is needed on a Purchase Order that has already been sent to the vendor - to increase the quantity, extend the end date, increase funding, modify coding, or to replace a discontinued item, etc. To initiate a change on a purchase order, modification of the last "final" CORE RQS associated with the purchase order **must** be made **prior** to the purchase order end date or depletion of funds. Be sure to include all necessary information, such as necessary attachments, changes that need to be made **and why**. Once the purchase order has been modified, the original will be sent to the vendor.

**Roll Forward and Rolled Purchase Orders:**

Purchase Orders that cross over fiscal years may require State Controller's approval for current fiscal year funds remaining in a purchase order to be allowed to roll forward into the next fiscal year. If the purchase request is new fiscal year funds to cover services for the new fiscal year, then a new purchase order will need to be created.

**For example, if the purchase order was issued in FY 19, but services/goods will continue through part of FY 20, then the PO can roll. If, however, the services are ongoing and will continue through FY 20 in its entirety, then a new PO must be issued.**

## SECTION 9

# PURCHASE ORDER DEFINED

The Purchase Order is a legal instrument that commits the Department of Military and Veterans Affairs to contract for goods or services. Use of a purchase order **is required** for goods or services exceeding $5,000.

A Purchase Order is initiated from the originating office by creating a CORE RQS and attaching required documentation. Upon receipt of the RQS through the CORE workflow, the Purchasing Agent will take all necessary steps to obtain quotations, bids, etc., as stipulated by the Colorado Procurement Code. After vendor award, a Purchase Order is issued to the vendor.

The originating office is responsible for making sure that goods or services are received in accordance with the specifications of the Purchase Order, including bid terms and conditions (if applicable). The originating office should notify the Purchasing and Contracts Office to assist in resolving any Vendor performance problems or delayed shipments.

Upon satisfactory receipt of an order, the originating office must enter a CORE RC document for all goods received. If there is a problem concerning payment, the originating office must notify the Accounting Office immediately.

When a problem arises with a vendor, such as late deliveries, incorrect billings, or defective merchandise, the user should make the initial contact. In most cases, the problem can be resolved by a telephone call with little difficulty. However, if a problem is not readily resolved in this manner, or the situation deteriorates, contact the Purchasing and Contracts Office. **WHEN PROBLEMS ARE ENCOUNTERED: Documentation/notes should be made on all contacts with the Vendor. Documentation is important!**

**SECTION 10**

# PURCHASES $5,000.01 AND OVER

This procedure applies to every expenditure of public funds. This includes all items purchased through State Funds, Cash Funds, Trust Funds, Grants, and Federal Funds.

**Note:** Per Fiscal Rule 3-1, membership dues and fees, registrations, postage, subscriptions and publications, non-hazardous trash removal services, and utilities (includes: water, and energy) do not need encumbrance documents.

A CORE RQS must be completed with coding, complete description/specifications and any verification documentation, and then routed through the CORE workflow approval process. Note the price agreement number in the additional information field.

The order will not be placed and a Purchase Order will not be issued until all required paperwork (including approvals) is received by the Purchasing and Contracts Office. No Purchase Orders will be processed after the services or goods have been received.

Purchasing and Contracts will issue the Purchase Order to the vendor.

## GOODS AND COMMODITIES

$5,000.01 and Over - Recurring Purchases exceeding $5,000 **per fiscal year**. Create a CORE RQS, and attach all required documentation at the header. Note the price agreement number in the additional information field, if applicable. Submit the RQS into the CORE workflow in order to process for approvals.

## SERVICES

$5,000.01 and over – Create a CORE RQS, and attach all required documentation at the header. Submit the RQS into the CORE workflow in order to process for approvals.

Emergency procurement procedures will be handled on an individual basis when used in place of normal procurement methods. An “emergency” is considered to be a condition immediately threatening the functioning of State government, the preservation or protection of property, or the

health or safety of any person or persons. Contact the Purchasing and Contracts Office if this type of procurement is necessary. **(Section 1)**

## SECTION 11

# PURCHASES UNDER $5,000 (SMALL DOLLAR PURCHASES)

This procedure applies to every expenditure of public funds. This includes all items purchased through State Funds, Cash Funds, Trust Funds, Grants, and Federal Funds.

To be clear and consistent with State Fiscal Rules, DMVA Commercial Card Program, and State Fiscal and Procurement Procedures, the maximum small dollar purchase limit is $4,999.

To process small dollar invoices, a delegated approving authority must sign the invoice; and the appropriate coding must be noted.

Assistance is available from the Purchasing and Contracts Office for expenditures under $5,000. If the end-user wishes Purchasing and Contracts to assist them in purchasing small dollar items, they still may do so. (For example, a Unit needs ten projectors and has one vendor quote of $4,950. The end-user thinks competition is available to yield a better price or higher quality and asks Purchasing and Contracts to conduct a competitive bid.) Please keep in mind that small dollar competition service is at the discretion of Purchasing and Contracts and its current workload.

Use the DMVA Commercial Card for **ALL** small dollar purchases that fall under the DMVA Commercial Card Program guidelines.

Please remember to follow all appropriate Colorado Procurement, Fiscal Rules and required approvals for purchases under $5,000 (State Price Agreements, Colorado Correctional Industries (CCI), etc.) **(Sections 12, 13 and 18)**.

If you have any questions, please contact the Purchasing and Contracts Office.

**SECTION 12**

# PURCHASES FROM THE DIVISION OF COLORADO CORRECTIONAL INDUSTRIES (CCI)

Formerly Juniper Valley - JVP

Section 17-2-111 C.R.S. and State Procurement Rule 4-207.01 requires that State agencies purchase office furniture and office systems from the Division of Colorado Correctional Industries (CCi).

All such purchasing agencies shall operate under the provisions of Section 17-24-111, C.R.S., requiring the purchase of goods and services from the division of correctional industries, and failure of any such purchasing agency to comply with such requirement shall be cause for the executive director to suspend for a period of up to one year at the discretion of the executive director the authority of a purchasing agency created pursuant to this subSection (2) to purchase goods and services. The authority of a purchasing agency to purchase goods and services may also be suspended at the discretion of the executive director. The financial and staff resources dedicated to the purchasing function in the affected agency shall be under the authority of the department of personnel during the period of suspension, and purchases made for the affected agency shall be in accordance with the requirements of Section 17-24-111 (1), C.R.S.

The terms office furniture and office systems shall mean:
Those systems and furniture that, at the time the product requirement is communicated, are described in Division of Correctional Industries' catalogs and web site and are intended primarily for use in an office environment (including faculty offices, meeting rooms, and conference rooms).

CCI services and products are on the Internet. www.coloradoci.com

**Under $5000:**

If you are not signed up for on-line ordering, then services or materials purchased from Correctional Industries should be processed using a Purchase Order Requisition Form. Please contact the Purchasing and Contracts Office prior to making any purchases with CCI.

**$5,000 and over:**

For purchases exceeding $5,000.00, submit a CORE RQS, and attach a quote from Correctional Industries, to the CORE RQS document in order to process through workflow for approvals. A CORE GAE will be issued to encumber funds for the purchase. PAC will then issue a "PO" to CCI for the purchase.

# PURCHASES FROM
# THE DIVISION OF COLORADO CORRECTIONAL INDUSTRIES

(CCI)

Mandatory awards for services or materials capable of being performed or produced by CCI cannot be ordered from other sources without a written waiver **(Section 22)** and approval from Colorado Correctional Industries, regardless of dollar amount. This documentation must be kept with the purchasing files.

WAIVER PROCESS: (See **Section 22** for this form)

Any request for a waiver to purchase outside of the mandatory CCI award must be submitted in writing on the **Customer Relations Department Waiver Request** form to the Purchasing and Contracts Office, which will review the request and send it to CCI.

The Director of CCI will review the request and indicate in writing, within five (5) working days of receipt, whether CCI can meet comparable quality, price, and reasonable time requirements.

CCI RESTOCKING POLICY:

1. If an agency mistakenly orders an item, a 15% restocking fee will be charged.
2. If an agency orders an item, based upon incorrect information received from CCI, the item can be returned without a restocking charge.
3. If an agency orders an item, and a mutual error or misunderstanding has occurred, the item can be returned without a restocking charge.

CCI has shown a willingness to replace items that are not satisfactory for our needs, but written documentation of problems with materials must be forwarded to the Purchasing and Contracts Office to insure that corrective steps are taken to prevent future problems of the same nature. Also, providing CCI with more detailed specifications can prevent some problems.

**SECTION 13**

# PURCHASES REQUIRING PRIOR APPROVALS

**- ALWAYS INCLUDE PROCUREMENT IN YOUR PLANNING PROCESSES -**

Some purchases of goods and services require the prior approval of another DMVA office before the Purchasing and Contracts office can finalize the request. These approvals are required even if the State Price Agreement is being used. The approving unit is typically reviewing your request to ensure that you are in compliance with DMVA standards, rules, or simply making sure that you have selected the correct item or service. See the following list of prior approvals that must be obtained. Internet sites are listed where available. Also see the Quick Overview (page 1) and guidelines and forms in **Section 22**.

**Computer hardware, software, upgrades, and peripherals (printers, additional memory, etc.) and IT related contractor services:** Requests are made through CORE for OIT approval; G6 approval required for purchases associated with the Federal Computer System.

**Installation of large/new equipment, utility hookups, etc:** Directorate of Facilities Management, Facilities Manager, 720-250-1380

**Facility Improvements/Construction:** Directorate of Facilities Management, Kris Hedberg, State Delegate, 720-250-1368

**Official Functions, Memberships:** Janet Jones, Procurement Director, 720-250-1541

**Personal Services:** Tamy Calahan, Human Resources Director, 720-250-1520 **(Section 22)**

**Telephones:** Todd Smith, Switch Manager, 720-250-1135

**Cellular phones:** Emiliano Barela, Procurement Agent, 720-250-1540

**Other State Agency requirements can be found on the next 2 pages.**

If you think that your needs are an exception to these requirements, contact the Purchasing and Contracts Office for clarification.

Continued on next page

**Department of Personnel & Administration**
**Division of Human Resources**

# Prior-Approval Contact List

This list is a guide for all human resource and contract administrators, fiscal officers, purchasing agents, and other State employees who are responsible for acquiring services, commodities (goods), and real estate on behalf of the State.

Prior to purchasing **any** service, the appropriate State agency (including your own) needs to be contacted to determine if it can provide the service for your agency. If your needs cannot be met, your agency will be granted permission to outsource the services.

Your agency is responsible for requesting a **current waiver letter** and placing it in your files. It may not be necessary to obtain a waiver letter for commodities or real estate. However, when your agency receives approval to procure commodities and real estate, you will be instructed on other requirements.

**NOTE:** Some agreements may require multiple prior approvals.

| FOR | REGION | TYPE OF SERVICE | APPROVAL REQUIRED FROM |
|---|---|---|---|
| Services | Statewide | Personal Services Contracts All require review | DPA, Division of Human Resources – Contact Terry Picket at (303) 866-4250 **(work with DMVA HR)** |
| Services | Statewide | Collection | DPA, Office of the State Controller – contact Johnny Woods at johnny.woods@state.co.us or (303) 866-6540 |
| Services | Statewide | Data Entry | DPA, Division of Central Services – Contact cindy.gore@state.co.us or (719) 448-5741 |
| Services | Denver Metro | Graphic Design | DPA, Division of Central Services – Contact IDS Customer Service Rep at (303) 866-4100 |
| Services | Denver Metro | Imaging, Microfilm, & Microfiche | DPA, Division of Central Services – Contact IDS Customer Service Rep at (303) 866-4100 |
| Services | Denver Metro | Mail | DPA, Division of Central Services – Contact IDS Customer Service Rep at (303) 866-4100 |
| Services | Statewide | Training | DPA, Human Resources, submit to Purchasing for online approval or Brandon Johnson prsnl.training@state.co.us or (303) 866-2439 |

| | | | |
|---|---|---|---|
| Services | Denver Metro | Printing & Photocopying | DPA, Division of Central Services – Contact IDS Customer Service Rep at (303) 866-4100 |
| Services | Statewide | Legal | Department of Law – Contact Alan Gilbert at (303) 508-6500 **(work with DMVA PAC)** |
| Goods/Services | Statewide | IT Resources – as defined in 24-37.5-102 et seq.CRS | Governor's Office of Information Technology (OIT) – **submitted via CORE RQS** |
| Goods | Statewide | Office Furniture | Department of Corrections, Colorado Correctional Industries – Contact (303) 321-2200 or www.coloradoci.com |
| Goods | Denver Metro | Photocopiers | DPA, Division of Central Services – Contact IDS Customer Service Rep at (303) 866-4100 **(work with DMVA PAC)** |
| Goods | Statewide | Vehicles (Passenger & Freight) | DPA, Division of Central Services, Fleet Management – Contact Scott Edwards or (303) 866-5416 or scott.edwards@state.co.us |
| **FOR** | **REGION** | **TYPE OF REAL ESTATE** | **APPROVAL REQUIRED FROM** |
| Real Estate | Statewide | Leasing of Real Estate and Purchases/Sales | DPA, State Buildings & Real Estate Programs – Contact (303) 866-5458 or www.sco.state.co.us/sbrep **(work with DMVA PAC)** |
| Real Estate | Statewide | Rights-of-Way and Easements | DPA, State Buildings & Real Estate Programs – Contact (303) 866-5458 or www.sco.state.co.us/sbrep **(work with DMVA PAC)** |
| Construction | Statewide | Capital Construction & Controlled Maintenance | DPA, State Buildings & Real Estate Programs – Contact (303) 866-3158 or www.sco.state.co.us/sbrep **(work with DMVA PAC)** |

DPA = Department of Personnel & Administration
IDS = Integrated Document Solutions

SECTION 14

# THE COMMERCIAL CARD PROGRAM AND HOW IT WORKS

The Commercial Card program provides users with a Visa Credit card to be used in making allowable, small dollar purchases for Department business. All charges are the liability of the Department. This credit card is used as you would use a personal credit card.

- Activate the Card
- Report lost or stolen Cards
- Identify a needed purchase
- Make sure purchases are allowable under the Commercial Card rules and any grant terms that may apply
- Order or purchase the goods using the Commercial Card
- Obtain an itemized receipt showing what was purchased, the date and note the purpose of purchase on the receipt
- Reallocate the charge to the desired coding, as necessary
- Verify the charge on the monthly Cardholder Statement
- Verify the charge on the monthly Bank Statement
- File the receipts and monthly statements; cardholders are required to **keep these for 3 years plus the current year**

**Differences between the Commercial Card and a Personal Credit Card:**
This credit card is used like a personal credit card. However, as a corporate card, there are differences that you should be aware of:

- The Department is liable for all charges made on a card before that card is reported to CitiBank as lost or stolen - 1-800-248-4553.

- The State is tax exempt; charges by the vendor for tax are not allowable.

- There is no personal liability on the card unless the Cardholder violates the terms of card use.

- Each card is excluded from specific vendor types (inappropriate purchases with state monies) such as travel vendors, vehicle vendors, and access to cash, betting, lottery, etc.

- Each card has limits that are specified by the Approving Official for each Cardholder. These are dollar limits per day and per cycle and transactions allowed per day and per cycle.

- Approving Officials must review and sign off on the Cardholder Statement for each Cardholder who has made purchases during the previous cycle period. **Approving Officials must also record violations and make sure that the Commercial Card Administrator is notified when a cardholder transfers or terminates.**

Continued on next page

# THE COMMERCIAL CARD PROGRAM AND HOW IT WORKS

- The transactions made on the Commercial Card are billed directly to the Department even though the name of the Cardholder is on the card. The Department pays the Card Issuer once a month for all charges made by every Cardholder. The vendor is paid by Visa within 48 hours of when the vendor gives/transmits the transaction to Visa. The Cardholder's default account coding, or the account coding to which the transaction has been reallocated, is then debited for the amount of the transaction.

- **Cardholders and Approving Officials - MUST - review the manual periodically to obtain current information. Approving Officials are audited at least ONCE A YEAR and Cardholders randomly throughout the year. Both must comply within the rules.**

## HOW THE PROCESS WORKS

**How you use the Department Commercial Card is very similar to how you use your personal credit card. Below are seven simple steps for using the Commercial Card to make and account for a purchase. Some steps, obviously, have to be done by the Cardholder. The Cardholder, the Approving Official, or a support staff person will do other steps. Regardless of who does what, each of the following must be done. Contact the Purchasing and Contracts Office for further details or visit the Purchasing and Contracts Webpage for the complete DMVA Commercial Card Manual.**

- Step 1 – **Place** the Order
- Step 2 – **Keep Track** of Orders Placed
- Step 3 – **Receive** and **Inspect** Goods
- Step 4 – **Document** each Transaction
- Step 5 – **Reallocate** the Charges, to the correct accounting code, as necessary
- Step 6 – **Review** and **Approve** the Cardholder Statement
- Step 7 – **File** the Source Documents (3 years plus current)

**SECTION 15**

# REQUESTS FOR PROPOSALS - COMPETITIVE SEALED PROPOSALS

The Colorado Department of Military and Veterans Affairs Purchasing and Contracts Office will determine whether a Request for Proposal (RFP), competitive sealed bid, or other method shall be used for each procurement. Requests for Proposals (RFP's) are issued:

- For the procurement of personal services, consulting services, etc., (other than contracts for architects, industrial hygienists, engineers, land surveyors, and landscape architects); or
- When competitive sealed bidding is not practicable because technical and performance capability must be evaluated; or
- When competitive sealed bidding is not advantageous to the State.

If an RFP is appropriate, the user must develop the RFP document, especially with regard to the scope of work and evaluation criteria. Evaluation criteria and recommendation of members to participate in the evaluation committee must be submitted to the Purchasing and Contracts Office prior to the RFP being released. The Procurement Director or a designee must approve all aspects of the RFP; therefore, it is important to contact the Purchasing and Contracts Office prior to initiating any action.

The State's procurement code requires that offerors have a minimum of 30 calendar days to prepare and submit their proposals. The normal time required to complete the RFP process, from issuing request to commencing work with a signed contract, is 90-120 days. In order to save time, and avoid wasted effort, it is very important to contact the Purchasing and Contracts Office prior to initiating any action.

## SECTION 16

# SOLE SOURCE PURCHASE REQUESTS

State of Colorado procurement rules establishes a policy of fostering effective broad-based competition. It is important for all who use the procurement process to understand that purchasing supplies and services without benefit of competition is not the preferred selection method.

Therefore, sole source vendor selection may be used only if certain circumstances or criteria exist. Those circumstances are set forth in Section 24-103-205, C.R.S., which provides in part: "A contract may be awarded for a supply, service, or construction item without competition when, under rules, the State Purchasing Director, (or) the head of a purchasing agency determines in writing that there is only one source for the required supply, service, or construction item."

In other words, sole source vendor selection is an exception to the practice of selecting vendors as the result of competition. **Only the Director or Designee of the Purchasing and Contracts Office has the authority to grant this exception**.

The State of Colorado Sole Source Justification form and guidelines provide specific directions for such a request. **(Section 22)**

Conditions for use of Sole Source Procurement

Sole source procurement is not permissible unless the required good(s) and/or service(s) is available from only a single supplier. A requirement for a particular proprietary item or service does not justify a sole source procurement if there is more than one potential bidder or offeror for that item or service. The following are examples of circumstances that could necessitate a sole source procurement:

- where the compatibility of equipment, accessories, or replacement parts is the paramount consideration;
- where a sole supplier's item is needed for trial use or testing;
- where sole supplier's item is to be procured for resale; or
- where public utility services are to be procured.

Continued on next page

# SOLE SOURCE PURCHASE REQUESTS

The Purchasing and Contracts Office will place a notice on Vendor Self Service (VSS) for a minimum of 48 hours requesting all capable parties to respond if they can bid on the potential sole source. If no response is received, the Purchasing and Contracts Director will approve the Sole Source request. In cases of reasonable doubt, competition should be solicited.

**REMEMBER**: Receive approval BEFORE preparing any formal contracting document or making any commitment to the potential vendor.

Any person signing or entering into a contract for the State who has not been delegated the authority to do so may be held **personally liable** for any amounts due under such contract. Employees with the Department of Military and Veterans Affairs, in order to protect themselves, **must not sign any contract or agreement form unless specifically authorized**. It is important to understand that authority to approve expenditures from a Cost Center budget does **not** constitute authority to bind the State to contracts or contract changes.

Architects, Engineers, Land Surveyors, Industrial Hygienists, and Landscape Architects are exempt from the Procurement Code, which means that Sole Source Selection is not possible. However, strong arguments for not using the appropriate selection method, as outlined in C.R.S. 24-30-1403, **MUST** be documented.

**<u>Please note</u>: Insufficient time for conducting a competitive procurement is NOT a lawful reason for selecting the Sole Source Procurement option.**

## SECTION 17

# SPECIFICATION WRITING

Submission of product specifications is often required with a CORE RQS. To provide a common basis for bidding, specifications should detail the essential characteristics of the item(s) to be purchased. While the Procurement staff is available to help in developing suitable specifications for competitive bidding, the following guidelines should be followed:

1. Specifications should not describe features of a quality level that are not necessary to an item's intended use.

2. Whenever brand name specifications are used, there must be an accompanying explanation, on the Justification for Brand Name form **(Section 22)** that clearly indicates that the specification is not intended to be restrictive and, where possible, several acceptable brand names should be used.

3. Qualified product lists limit competition to those products on the list, and they can be used effectively. When used, actual samples or highly documented files must be kept on each item that qualifies.

4. Design specifications are usually used for building construction projects and must be carefully written in terms of any features that might limit competition unnecessarily or that might make the project unacceptable for the purpose for which it is to be used.

5. Performance specifications are preferred that describe how the product is to perform, what the desired end use of the product will be, and that encourage ingenuity, innovation, and cost reduction.

6. The Procurement staff will review specifications for restrictiveness, legality, workability, and to assure that minimum levels of quality are specified.

7. **To avoid conflicts of interest, and to assure objective specifications, vendors must not be allowed to prepare specifications.** Submittal of a cut sheet is appropriate. If help is needed on completing specifications, contact the Purchasing and Contracts office.

8. If there is additional peripheral equipment essential to an item’s function, although it is not necessarily supplied as part of the item, be sure to specify what is required; i.e., a separate power cord for electrical equipment.

## SECTION 18

# STATE PRICE AGREEMENTS

The State of Colorado has expended considerable time and money to assure that the items on State Price Agreements are made available at the best competitive price, equally throughout the State. Occasionally, local vendors may have selected items at a slightly lower price; however, the State Price Agreements with the listed vendors insure that, based on projected quantities purchased throughout the State over a certain period of time, the best overall economy will be achieved.

The list is alphabetical by commodity and indicates the vendor(s) who have received the State Price Agreement. The listing is on the Internet:

Click on link to: State Price Agreements
Add this location to Favorites to quickly access the Price Agreements in the future.

A request for a waiver to purchase outside of a Mandatory State Price Agreement must be coordinated and approved through the Purchasing and Contracts Office. Contact the Purchasing and Contracts Office to obtain a waiver or you may be held personally liable for the cost.

**SECTION 19**

# Environmentally Preferable Purchasing Policy (EPP)

Environmental Preferable Purchasing (EPP), or Green Purchasing, means to purchase a product that has a lesser or reduced negative effect or increased positive effect on human health and the environment when compared with competing products that serve the same purpose. Incorporating EPP in the procurement process considers raw materials acquisition, production, fabrication, manufacturing, packaging, distribution, reuse, operation, maintenance, and disposal of the product. The EPP Policy was created in compliance with Executive Order D0012 07 to reduce consumption, waste, and possible environmental impacts by considering life cycle when making purchasing decisions.

Click the link for the official State EPP: Environmental Preferable Purchasing Policy

## Benefits and Goals of Green Procurement

Green procurement has various benefits that facilitate sustainability and effective accomplishment of the State's mission. Buying "green" also improves our environmental stewardship, and strengthens community relationships. Purchasing decisions can significantly influence the environmental performance of each agency, since the procurement process heavily influences the wastes and emissions that must be managed and paid for. When we buy a hazardous material, at the end of its life cycle it may become a hazardous waste that is costly to manage and dispose. Specific benefits of practicing green procurement include but are not limited to:

- Strengthening recycling programs by increasing the demand for recycled products
- Complying with laws, regulations, and Executive Orders (EOs) that require state agencies to implement green procurement practices
- Saving money (may be in terms of product cost, the overall cost of manufacturing, or utility bills)
- Reducing air emissions, solid waste disposal rates, and associated health risks
- Providing jobs and economic opportunity
- Providing incentives for manufacturers to use technologies that incorporate environmentally preferable attributes and/or materials into products
- Conserving natural resources used to make new products
- Preserving energy resources and protecting the ozone layer

# Environmentally Preferable Purchasing Policy (EPP)

- Providing new and expanded markets for sustainable commodities and services
- Reducing U.S. dependence on petroleum and other imports

The initial goal of this policy is to analyze and adopt recognized third-party national standards or certifications, and tools that help evaluate the purchase of environmentally sound products. Life cycle assessments that measure product life costs and benefits in determining purchasing preference(s) are a preferred practice if not already incorporated by recognized standard or certification.

It is an ongoing goal of this policy to discover and implement practices that promote the inclusion of environmentally-focused specification language and definitions to be used in competitive solicitations for commodities and services. This EPP policy is designed in accordance with the State's intent to:

- Conserve natural resources
- Minimize environmental impacts from pollution, both indoors and outdoors,
- Reduce unnecessary or excessive use of water and energy,
- Eliminate or reduce toxic or otherwise harmful substances or emissions that create hazards to workers and communities within the State of Colorado and a wider society,
- Increase opportunities for recycling markets,
- Stimulate markets for environmentally sound, competitive products,
- Promote evaluation of products for potential reuse or recyclability,
- Reduce materials that require landfill disposal, and maximize diversion of materials from the solid waste stream,
- Identify and advocate for consideration of environmentally preferable products, encouraging manufacturers and vendors to reduce environmental and human health impacts in their production, distribution, and business practices that provide services with the State of Colorado,
- Create guidance for the successful purchase of environmentally preferable products by state agencies, institutions, and other Colorado public entities.
- Provide leadership and a model for the development of environmentally preferable purchasing policies by state, higher education, and local agencies.

**Section 20**

# SURPLUS PROPERTY

The Department's surplus property is classified as all State-owned property (does not have to be a fixed asset) that can no longer be used by the Agency that purchased it.

Please refer to Colorado Department of Corrections Policy and forms:

Colorado Surplus Property Agency (CSPA)

A - Use the **STATE OF COLORADO DECLARATION OF SURPLUS PROPERTY** Form 276 for any move, deletion, transfer or any other change in the disposition of an item. This form must be sent to the Purchasing and Contracts Office, **PRIOR** to any action being taken. If the identity of the item is not clear, a member of the Procurement staff will inspect the item.

B - The Purchasing and Contracts Office will make the determination of how the item will be handled and will inform those involved. The type and quantity of items will determine whether the Department will move these items at no cost, or whether a vendor will move them and the Program's operating budget will be charged.

The status classes are: reusable as is; re-usable w/ repairs; or non-repairable.

C - Any item placed in storage will be removed from the donating agency's inventory listing and become available for placement elsewhere within DMVA.

D - Any items to be stored and ownership retained by the unit will be done by special arrangement only.

E - Unique conditions for computer disposal are required; please refer to the above policy.

## Section 21
# VIOLATION PROCESS
# OBLIGATION IN VIOLATION OF STATE STATUTE

The following outlines Department procedures to be followed when an obligation for an acquired good or service is incurred in violation of the State Statutes.

> The State Controller has issued a policy with regard to incurring an obligation without an approved commitment voucher (state contract or Purchase Order), which violates state statues. This policy outlines the State Controller's authority to approve obligations made/paid without an approved commitment voucher in violation of C.R.S. 24-30-202(3) - **obligations incurred prior to execution of a commitment voucher**, and/or C.R.S. 24-30-202(1) - **disbursements made prior to execution of a commitment voucher.**
>
> Commitment voucher as referenced in this statute is defined as: "A purchase order, a state contract, an approved travel authorization, an advice of employment, or any other document appropriate to the transaction, prescribed by the State Controller, which creates an obligation to the State that ultimately results in a disbursement of funds by the State."

**For Contracts**: If a state obligation to a contractor is incurred by an individual in the Department prior to the execution of a contract (execution is the signing by both parties and approval by the state controller or delegate) the obligation cannot be paid without the approval of the State Controller.

**For Purchases**: If an individual in the Department, without the establishment of a purchase order or other appropriate encumbrance incurs a state obligation for goods or services that exceeds $5,000, the obligation cannot be paid without the approval of the State Controller.

**Any invoice or bill totaling over $5,000 which has no commitment voucher associated with it and is received by the Accounts Payable Office shall not be paid without proper approval obtained pursuant to this policy.**

The Office of the State Controller's Policy on Statutory Violations (answer all questions under #3e.) **(Section 22)** is used to seek the approval of the State Controller to pay the obligation incurred in violation of the law.

The completed form and corresponding invoices must be forwarded to the Department's Purchasing and Contracts Office, which will in turn review and forward the documentation to the Department's Controller. The Department's Controller is not the delegated authority to approve or disapprove such a request, but must submit it with recommendations to the State Controller. Only upon approval by the State Controller may the obligation be paid to the contractor.

The impact of a Statutory Violation is that in some cases the individual who caused the violation may be held personally responsible for it. In addition, such circumstances can cause a hardship to a vendor as payment may be delayed due to the time it takes to process approvals. Finally, an employee's failure to follow state statute and rules when procuring goods or services for the state is unacceptable job performance. Violation of statute and state rules can be grounds for corrective action against the employee committing the violation.

It is the responsibility of all Department personnel to understand and follow the procedures and requirements regarding incurring and/or paying state obligations and if unsure to seek information through the proper sources. The Department's Purchasing and Contracts Office conducts ongoing training for staff and are available to answer questions.

# Glossary of Terms

**State of Colorado VSS–**The Vendor Self Service (VSS) is a website administered by the State Purchasing Office for notifying interested vendors of the State of Colorado's intent to purchase goods or services. The website address is: www.colorado.gov/vss. Purchasing Agents normally publish a notice on the VSS System when the dollar amount of the procurement requires that it be competitively bid through either a Documented Quote (DQ), Invitation for Bid (IFB) or Request for Proposals (RFP). The specific dollar thresholds at which a notice should be posted on VSS may vary from agency to agency, and the nature of the particular procurement can dictate whether or not a notice will be posted on VSS.

**Bidder** – A vendor/company who submits a bid proposal.

**Goods –** A supply, product or anything purchased or available for purchase (as opposed to real property or services).

**Multiple Year Award (Contract) –** Procurement contracts extending more than one year.

**Pre-Bid Conference/Walk-Through –** This is a meeting held with prospective bidders prior to the bid opening to clarify any ambiguities, to answer bidder questions, and to ensure that all potential bidders have a common basis of understanding regarding the goods or services required. (A bid for construction of an elevator in an existing building would be a good example of a situation when a walk-through would be appropriate.)

**Responsive Bidder –** A vendor who has submitted a bid that conforms in all material aspects to the requirements stated in the solicitation.

**Solicitation –** A request seeking competitive bids or proposals from vendors. Documented Quotes (DQ's), Invitations for Bid (IFB's), and Requests for Proposals (RFP's) are all types of solicitations.

**State Price Agreement –** An agreement through which the State Purchasing Office has contracted with a vendor for a good or service at a predetermined price for a set time period. State Price Agreements

**Tangible service –** Any established professional or general service work to be performed (examples: back hoeing, landscaping, repairs, routine training, surveys, basic consulting services, etc.) that does not involve creative or innovative specifications and therefore does not require elaborate evaluation criteria.

**Section 22**

# APPENDIX

# GUIDELINES AND PURCHASING FORMS

Bid Guidelines
Brand Name Form
Colorado Correctional Industries Waiver
Procurements Exempt from Commitment Vouchers
Office of the State Controller's Statutory Violation Policy
Official Function form
Personal/Purchased Services forms
- Certification for Personal Services Agreement form
- Business Case Form
- Insurance Guidelines
- Insurance Requirements
- Vendor Selection form
- Independent Contractor – Sole Proprietor Guidance

Sole Source Guidelines and form
W9 form

****The above listed forms and/or links can all be found on the DMVA Purchasing and Contracts webpage****

## USER GUIDELINES

## For Bids (Invitations for Bid and Documented Quotes)

### WHEN TO BID

**I.** Generally, goods or tangible services over $25,000 require a bid. (Note on tangible services: Multiple year awards may be appropriate.)

**II.** Purchases made through State Price Agreements for Goods or Services do NOT usually need to be submitted for bid**.** Check with the Purchasing and Contracts Office for large quantity or large dollar volume requirements.

### GENERAL BID PROCEDURES

**I. Required Documentation/Forms to be Submitted to Purchasing**

- A completed CORE RQS that identifies the goods/services, funding and initial dollar amount. (This amount may be an estimate or quote you may have already received. Do not insert a vendor number.)
- Detailed requirements with specifications and item(s) to be purchased. (Attached to the RQS and emailed to the Purchasing Agent.)
- Include delivery requirements when appropriate. (Examples: delivery at dock only -vs.- unloading and installation, etc. If necessary, include a list of multiple delivery sites with complete addresses. It is your responsibility to inform staff of delivery dates and times.)
- Dates/Timeline. (Show the date that the item is required or the timeframe in which the services are needed.)
- Copies of all necessary approvals (Examples: Budget/Executive Director, Facilities if building related, or IT.)

**II. Processing Time**

- Please allow adequate time for the Purchasing and Contracts Office to develop a final bid document ready to post on VSS. (Allow a minimum of 3 days to 1 week for simple bids, but more time can be involved for complex bids.)

**III. Types of Bids**

- **Documented Quote (DQ) Process.** Documented Quotes may be used for goods and services between $25,000 and $150,000 (maximum amount for the life of the quote, i.e; $150,000 over a 3-year period). A DQ notice may be posted on VSS for a minimum of 3 consecutive business days (at the discretion of the Purchasing and Contracts Office). Bidders may submit quotes in response to DQ's by fax, mail, courier (or e-mail, if the bid document allows this method.)
- **Sealed Bid/Invitation for Bid (IFB) Process**. Used for purchases over $150,000. The IFB notice must be posted on VSS for a minimum of 14 consecutive business days (construction) or 10 consecutive business days (non-construction). Vendors must submit their responses to the Purchasing and Contracts Office as a sealed bid via mail, courier or in-person delivery. Faxed or e-mailed bids cannot be accepted in response to IFB's.

| Solicitation Publication Timeframe | | |
|---|---|---|
| **Solicitation Type** | **Construction (R-24-105-101-03)** | **Goods and/or Services (R-24-103-201-05)** |
| Documented Quote | Minimum 3 Consecutive Business Days | Minimum 3 Consecutive Business Days |
| Invitation for Bid | Minimum 14 Consecutive Business Days | Minimum 10 Consecutive Business Days |
| Request for Proposal | Minimum 30 Consecutive Calendar Days | Minimum 30 Consecutive Calendar Days |
| Request for Qualification | Minimum 15 Days | N/A |

**THE PURCHASING AGENT WILL DETERMINE WHICH TYPE OF BID IS APPROPRIATE**

## IV. Bid Requirements and Specifications (Basically, the description of what you need)

a. function and capabilities, operating limits, dependability or, reliability. (See #2 if you don't know what specifications are actually available on the market.)
b. Specifications must be unbiased and without any prejudice towards potential bidders to permit free and open competition, whenever possible. Specifying a brand name or specific product manufacturer should only be used when continuity of or compatibility with existing systems is required. It is important to consider a vendor's potential bias towards the services/goods they sell or manufacture, so specifications that are described by vendors in presentations or promotional materials may be questionable, because they are only based on their own products/services.
c. However, using a brand name product as an example of a product that has proven to be reliable may be used to measure comparable products. (In this case, you would specify a brand name product and then say you will accept bids for "equal or better" products that meet the specifications.) If there is a comparable product available that may cost less, then value as well as quality and reliability could be achieved as a result of a brand name "equal or better bid".
d. Be careful of 'mandatory' requirements, if you use the words like 'must' or 'shall', the bidder is required to meet those requirements in order to be deemed responsive.

2. A Request for Information (RFI) notice may be posted on VSS if you are seeking information from vendors without actually soliciting for a bid. This is strictly an information gathering process only, and potential bidders are informed that no award will result from an RFI. The Purchasing Agent can help you with this process, which would be applicable in situations where you do not have knowledge regarding the kinds of products that are available in the market and therefore are unable to provide the specifications.
3. The Purchasing Agent can also assist you in writing specifications.

## V. Bid Itemization Sheet Or Response Sheet

This section of the bid document demonstrates how you want the potential bidders to format their responses.

- If you want bidders to respond in a certain format, send any formatted paperwork to the Purchasing and Contracts Office along with your requirements/specifications.
- At times, descriptions may need to be broken down into separate components. If this is the case, specify which items need to be bid separately. Normally, the Purchasing Agent will incorporate a total cost area at the bottom of the bid. (In some cases, you may not want an "all-or-nothing" bid, but may want it broken down into various components or categories with separate cost estimates. Depending on the price, the program would have the option of accepting all or some parts of the vendor's bid. Remember, however, that the bid must indicate this from the beginning.)
- You may need a Pre-bid Conference/Walk-through for a service or good. Sufficient time must be allowed for the walk-through and bid submission. If a Pre-bid Conference or Walkthrough will be included in the bid process, approximately 4-5 weeks should be allowed from the date the VSS notice is published until the date that the bid responses are due, to allow time for this extra step.

## VI. Posting the Bid Notice

- After you provide final approval to the Purchasing Agent that the bid document is accurate and that the requirements and specifications described in the document reflect your needs, the Purchasing Agent will post the bid notice on the State of Colorado VSS website.
- You may obtain a copy of the published bid by visiting: https://codpa-vss.cloud.cgifederal.com/webapp/PRDVSS2X1/AltSelfService

## VII. Bid Evaluation

*** * *Remember that the Requirements and the Evaluation must be tied together* * ***

The bidder's response will be evaluated and awarded by the Purchasing Agent based on lowest responsive bid from a responsible bidder, unless there are other evaluation factors that were specifically stated in the bid document. After the bid opening the Purchasing Agent will contact you to verify that the apparent low bidder met all requirements, or you can be present at the bid opening and evaluate the bids at that time. If a test or formula-type evaluation needs to be completed it must be evaluated by your program. The results of the evaluation must be given to the Purchasing Agent, who will then award the bid based on these results.

**Examples of additional evaluation criteria are listed below:**

- **Evaluation for performance of a product**. (Example: You want Z-fold forms, but need to evaluate them for their ability to fold and stick together. In the requirements section of the bid you would include a sentence requiring all vendors to submit a specified number of samples for evaluation. In this case, award could be made to the bidder most responsive to your requirements; that is, the bidder whose samples had the lowest failure rate, not just the lowest bid). Remember, the original bid document must have specified the evaluation criteria and also should have stated that the bid amount quoted must be within the program's budgeted amount to be eligible for award.
- **Evaluation for a service**. If there is a need for demonstrated experience relevant to the requirements listed on the bid you may ask for resumes, references, or staffing patterns to assure that the bidder has the necessary experience and ability to perform.

## VIII. After Award and Issuance of a Purchase Order to the Vendor

- Keep copies of all Purchase Orders on hand to follow-up with the awarded vendor during/after delivery.
- Inform the Purchasing Agent if there are any changes that need to be made to the Purchase Order, such as change in delivery location.
- Keep staff at any additional delivery locations informed of all changes and when items are due to be received.
- Check delivered goods for damaged or missing parts as soon as possible. Coordinate with the awarded vendor if any damage is found.
- Specifications must be clearly stated.

Provide a clear description with quantity, part numbers, model numbers, dimensions, features, components, compatibility, etc. If you want to know what type of equipment is available on the market without requesting a certain model, you can describe the standards of performance, its

**JUSTIFICATION FOR BRAND NAME**

TO: _____ DATE: _____

FROM: _____

REFERENCE: Purchase Requisition No. _____ DATED: _____

DESIGNATED VENDOR _____

The Purchasing Agent who approves this requisition for purchase is responsible and accountable for justifying brand or sole source purchase. In order to evaluate the requisition, additional information is needed. Please give detailed replies to the questions below. Please return this form promptly, as no action will be taken until the requested information is received. This form will become a part of the permanent record for this purchase.

IF ADDITIONAL SPACE IS NEEDED, USE AN ATTACHED SHEET

1. Have you discussed your need with anyone in Purchasing prior to submitting this requisition?
   ( ) Yes ( ) No If yes, whom? _____

2. If a particular brand is required, name it and cite the qualities/features that make purchase of this brand necessary.

   Name the other brands investigated and cite the reasons why they are not acceptable.

3. If the above does not apply, explain the reason for selection, naming companies and individuals contacted, prices quoted, and reasons for rejection.

4. Do you have an actual or potential conflict of interest in this purchase request?
   ( ) Yes ( ) No If yes, please explain on an attached sheet.

_____ _____
Signature Date

**FOR PURCHASING AGENT'S USE**

Agree ( ) Yes ( ) No If no, why? _____

_____

**Disposition**

( ) Purchase as requested
( ) Prepare invitation for Bid
( ) Obtain quotations
( ) Covered by contract or price agreement
( ) Inadequate Justification, return to originator for more information.

_____ _____
Purchasing Agent Date

# COLORADO CORRECTIONAL INDUSTRIES (*CCi*)

Section 17-24-111(1)(a) CRS requires that state agencies purchase office furniture and office systems from the Division of Correctional Industries. In applying this statute and administering this waiver process, the terms office furniture and office systems shall mean:

Those systems and furniture that, at the time the product requirement is communicated, are described in Division of Correctional Industries' catalogs and web site and are intended primarily for use in an office environment (including faculty offices, meeting rooms, conference rooms and at times classrooms).

## CC*i* Waiver Request

rev 4/2018

*TO:* **Paul Smith**
Sales Director
CCi
c/o Cheryl Ahumada
cheryl.ahumada@state.co.us
(719) 226-4204
(719) 226-4220 fax

*FR:* *Requestor Name:* _____
*Agency Name:* _____
*Phone:* _____ *Fax:* _____
*Consulted with:* _____
CCi Representative/Contact Person Consulted With

*Date Submitted:* _____ *Total Pages:* _____

*Purchasing Agent Name:* _____ *PA Phone:* _____
*Purchasing Agent Signature:* _____ *PA FAX:* _____

Submitting Agency's Purchasing Department must submit waiver request to CCi **after** signature approval. CCi response will be returned to Purchasing Department.

**Scope of Waiver Request *(the following information is mandatory, missing information will delay your response)*:**

- ☑ Period of Time (Date Item/s Needed) _____
- ☑ Number of Items or Amount of Materials (Quantity) _____
- ☑ Complete Description & Specifications (Not Just Brand & Model Number) (Must be Attached)
- ☑ Quoted Unit Price $
- ☑ Quoted Total (overall) Price FOB Destination, including Assembly $
- ☑ Itemized Quotation Sheet(s) from Vendor to Support the Requested Items Above, Including Picture, Sketch, Design or Layout of Product(s) (Must be Attached)

Please review and respond to this ***request for waiver*** to purchase outside of the CC*i* mandatory awards (State Price Agreement #42500YYY08M) for office furniture and office systems. In completing and submitting this waiver request as outlined in the procedure from the back of this form, I believe *CCi* cannot provide its goods or services:

Check appropriate box:

- ☐ At a comparable level of quality, or unavailable features or _____
- ☐ At a comparable price to that provided by the private sector; or _____
- ☐ *CCi* cannot provide its goods or services in a timely manner. *(Note: No waiver shall be granted based on timeliness unless CCi was given a reasonable time period to provide the goods or services, which must be at least equal to the time period offered to the private sector, including consultation, design & planning.)*

If requestor has spoken directly with a *CCi* account representative in regards to this request and comparable *CCi* products **AND** completed all of the above noted information, *CCi* will answer this ***request for waiver*** within five (5) working days of receipt

* * * ***CCi*** * * *

☐ **Denied** ☐ **Approved** ☐ **Pending** _____ _____
**Signature** **Date**

**If Approved, Reason:**

- ☐ *CCi* Cannot Provide its Goods or Services At a Comparable Level of Quality, or Unavailable Features or
- ☐ *CCi* Cannot Provide its Goods or Services At a Comparable Price to that Provided by the Private Sector; or
- ☐ *CCi* Cannot Provide its Goods or Services in a Timely Manner.

PROCEDURE Agencies seeking a waiver from the statutory requirement to purchase office furniture and office systems from CCi shall:

1. Contact the agency's CCi sales representative to discuss the agency's needs and CCi's ability to furnish the desired products prior to submitting or requesting a waiver;

2. Provide a completed waiver request form (See page 1 of this form), attach all supporting quotations and detailed specifications supplied from outside vendor of choice, then submit to receive written approval from the Parent agency's authorized purchasing director, or their appointed designee. Purchasing director will then forward packet to CCi via email and/or fax, as noted on the form. (Current address, e-mail, fax and phone numbers are available on CCi's web site.)

Upon receipt of a waiver request, CCi will:

1. Review the request in accordance with the standards set forth herein, and grant, deny or pend the request within five working days or such other period of time as is agreed upon by CCi and the agency.

2. If the request is denied, CCi will state the basis for the denial, including a description of the product it offers that meets the specification, and will be available to answer questions about the product or the decision.

3. If the request is pending, CCi will state the basis for the pending and explain that a final response can be provided upon additional actions being completed by the requestor or CCi.

4. If the request is granted, the agency may proceed to purchase the office furniture or office systems in accordance with the requirements of the Procurement Code and the Procurement Rules.

If the request is denied, the agency may appeal CCi's decision to the Executive Director, Department of Personnel & Administration (or delegate), through the State Purchasing Office. The appeal shall contain the original request, all supporting material, and CCi's denial information. At the time the appeal is filed, the agency shall notify CCi of the appeal, and CCi may submit any additional information it considers relevant to support its decision. On request by the Department of Personnel and Administration, CCi shall provide additional information concerning the pricing of its products relative to any alternative products identified by the agency or institution (including delivery and set-up fees), the quality of its products, materials, and workmanship, differences in terms and conditions (including warranty provisions), means of insuring or mitigating the risk of late delivery (where that is an issue), and other information relevant to the DPA's certification that CCi can provide products of comparable quality and price in a timely manner.

The decision of the DPA Executive Director or his designee is final.

STANDARDS Based on §17-24-111(1)(a), to grant a waiver, CCi or DPA must find that either:

1. CCi cannot provide its goods or services  At a comparable level of quality, or  At a comparable price to that provided by the private sector; or  In a timely manner

Therefore, the waiver must be based on one or more of the above factors. Neither CCi nor DPA shall grant a waiver based on timeliness unless CCi was given a reasonable time period to provide the goods or services, which must be at least equal to the time period offered to the private sector.

The scope of the waiver shall clearly define the period of time, the number of items or amount of materials that can be purchased from the private sector, and a quoted total price FOB destination to include assembly. Any available picture, sketch, design or layout of products must be included with the waiver request. No waiver shall be deemed to extend to comparable materials or situations beyond the scope of the waiver.

DEFINITIONS Section 17-24-111(1)(a) states: "…State agencies may purchase goods and services from sources other than the division; except that office furniture and office systems shall be purchased from the division." Therefore, in applying this statute and administering this waiver process, the terms "office furniture" and "office systems" shall mean:

Those systems and furniture that, at the time the product requirement is communicated, are described in Division of Correctional Industries' catalogs and web site and may be intended primarily for use in an office environment (including faculty offices, meeting rooms, conference rooms and at times classrooms).

**Procurements Exempt from Commitment Vouchers and Emergencies from the Fiscal Rules**

# STATE OF COLORADO FISCAL RULES

**5.4** Disbursements Exempt from Purchase Order or State Contract: A Purchase Order or State Contract is not required for the following types of disbursements regardless of the amount of funds disbursed:

**5.4.1** Access to internet-based, on-demand training classes and webinars;

**5.4.2** Advices of Employments;

**5.4.3** Calculated payments required under a program within a State Agency or Institution of Higher Education (e.g., formula distributions, other distributions required by regulatory or statutory formulas);

**5.4.4** Copier rental agreements when the payment is based on a defined rate per copy;

**5.4.5** Conference registrations;

**5.4.6** Conference facilities at hotels or other venues that include, but need not be limited to, meeting rooms, audio visual equipment catering, and guest accommodation rooms;

**5.4.7** Financial aid or tuition assistance programs that is paid directly to a beneficiary;

**5.4.8** Membership dues and fees, and participation assessments, that do not include services or examination;

**5.4.9** Insurance premiums;

**5.4.10** Services needed by the Department of Law or by another State Agency or Institution of Higher Education with the approval of the Department of Law to seek outside counsel, to support civil or criminal proceedings, civil or criminal enforcement, or legal services (e.g. attorneys, expert consultants, expert witnesses, mediators, and arbitrators);

**5.4.11** Court orders related criminal proceedings, civil enforcement, or legal services;

**5.4.12** Intra-agency or intra-institution purchases;

**5.4.13** Moving expenses reimbursed to State employees or paid on behalf of State employees;

**5.4.14** Payroll and related disbursements to employees (withholding, authorized benefits, etc.), including reimbursements or payment for Travel as describe in Fiscal Rule 5-1;

**5.4.15** Postal and other delivery charges, including messenger fees, post office boxes and postage meters;

**5.4.16** State program payments to or on behalf of individuals qualified for the program's benefits;

**5.4.17** Subscriptions for journals, informational publications, informational and research databases or similar materials (print or electronic), that do not include additional services (such as training and configuration);

**5.4.18** Utility hook ups, relocations, and line extensions performed by a utility company;

**5.4.19** Water, energy (regulated electric and natural gas, and steam); local, long-distance, wireless, satellite, and telephone communication or data services, including pagers, cell phones and other wireless/communication devices; septic pumping services; regular, non-hazardous trash collection services; and bulk fuel (coal, heating oil, gasoline, propane), which are routinely purchased by an Agency or Institution of Higher Education; and

**5.4.20** Other disbursements approved in writing by the State Controller.

**5.5** Exemption from Purchase Order and State Contract Only. The exemptions listed in §**Error! Reference source not found.** are exemptions from the need to have a Purchase Order or State Contract only and does not create any exemption from any other statutory requirement, such as the requirements of the Colorado Procurement Code and the Procurement Rules.

## 11. EMERGENCIES

Emergency disbursements for procurements that would require a State Contract or Purchase Order may be made upon presentation of invoices, receipts, or other statements describing goods or services purchased and the amount to be paid. Only goods and services necessary to respond to an Emergency may be procured immediately, without issuing a Commitment Voucher or obtaining a written waiver from the Office of the State Controller, where all of the following conditions are met:

**11.1** The nature of the situation requires an immediate response and there is insufficient time to issue a Commitment Voucher;

**11.2** The procurement is authorized in accordance with the Procurement Code and the Procurement Rules;

**11.3** The expenditure is approved by a State Controller delegate;

**11.4** If there are any future performance obligations necessary to resolve the Emergency, a Commitment Voucher is executed as soon as possible to define those future performance obligations, as required by Fiscal Rules; and

**11.5** The Agency or Institution of Higher Education notifies the State Controller's Office in writing, as soon as possible, of the circumstances, goods and services purchased, and the dollar amount of the commitment. Failure to notify in a timely manner, as determined by the State Controller's Office, will constitute a Statutory Violation.

**See Section 1 for Emergency Procedures**

## Emergency Procurements from the Procurement Rules

**R-24-103-206** **Emergency Procurements**

Notwithstanding any other provision of this code, the executive director, the chief procurement officer, the procurement official, or a designee of any such officer may make or authorize others to make emergency procurements when there exists a threat to public health, welfare, or safety under emergency conditions, as defined in rules, but such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

A contract may be awarded by an emergency procurement when an emergency condition arises.

**R-24-103-206-01** **Definition of Emergency Conditions**

An emergency condition is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or such other reason as may be identified by the using agency and approved by the procurement official or his or her designee. In the event that emergency controlled maintenance funding is requested, the office of the state architect shall also be notified by the next business day. The existence of such condition creates an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten the:

(a) Functioning of state government, or its programs;
(b) Preservation or protection of property; or
(c) Health or safety of any person or persons.

**R-24-103-206-02** **Scope of Emergency Procurements**

Emergency procurements shall be limited to supplies, services, or construction items in such quantities as are necessary to meet the emergency.

**R-24-103-206-03** **Authority to Make Emergency Procurements**

Any governmental body may make emergency procurements when an emergency condition arises and the need cannot be met through normal procurement methods; provided, that whenever practical, approval by the procurement official or his or her designee shall be obtained prior to the procurement. In the event an emergency arises after normal business hours, the governmental body shall notify the procurement official or his or her designee on the next business day.

**R-24-103-206-04** **Source Selection Method**

(a) The procedure used shall be selected to assure that the required supplies, services, or construction items are procured in time to meet the emergency. Given this constraint, such competition as is practicable shall be obtained.
(b) The procurement official or his or her designee shall make a written determination stating the basis for an emergency procurement and the selection of the particular contractor or contractors. If approval from the procurement official or his or her designee is not provided prior to the procurement, the written determination shall be made by the individual involved in making the selection of the contractor or contractors on behalf of the state. Such determination shall be sent promptly to the procurement official or his or her designee.

# Request for Payment of Liability Incurred in Violation of §24-30-202, C.R.S.

When a Department or Institution of Higher Education (IHE) incurs a liability in violation of C.R.S. 24-30-202, that liability is null and void unless the State Controller or a delegate within the Central Contracts Unit approves the violation and, by that approval, authorizes a retroactive commitment voucher. This approval of the State Controller or a delegate within the Central Contracts Unit is the only way to execute a valid retroactive commitment voucher.

**Instructions:**

1. To provide for efficient processing of your statutory violation request, departments shall answer the questions in the order included in this form.
2. Departments may use their own letterhead or form and may add questions in each section in addition to the questions in this form.
3. Departments may route the form in accordance with their internal control procedures. This may include signatures of the head of the organization unit that incurred the statutory violation and the department controller.
4. After completing the form, departments should save the document using "save as."
5. Departments must include all invoices and any other documentation to support their request as attachments, such as correspondence that defines the terms of the obligation.
6. The department controller or employee(s) designated by the department controller shall scan and submit the complete form, with attachments to DPA_OSCRequests@state.co.us (copy and paste in your email).

**SECTION A – Agency/IHE Information**

1. Department/IHE Name:
2. Division/Office:
3. Controller/Delegate:

**SECTION B - Signatures**

1. Head of the organization unit that incurred the statutory violation:

   _____

2. Controller Delegate: _____

**SECTION C – Description of the Obligation/Statutory Violation**

Statutory Violation usually occurs in two situations:

a. There was never a commitment voucher in place. In this case, answer the questions below with the total goods/services purchased, total amount of the obligation, and the date the contractor began work.

b. There was a commitment voucher in place, but the actual spending exceeded the commitment voucher. In this case, answer the questions below with the incremental goods/service over the commitment voucher, incremental amount over the commitment voucher, and the date that spending exceeded the commitment voucher.
c. There was a commitment voucher in place, but it expired before completed the delivery of goods or services. In this case, answer the questions below with the incremental goods/service over the commitment voucher, incremental amount over the commitment voucher, and the date that spending exceeded the commitment voucher.

1. Which of the above situations applies to this statutory violation (a, b, or c)?

2. Describe the goods that have been delivered and the services that have been completed that resulted in the obligation/statutory violation.

3. What is the dollar amount of the obligation/statutory violation?

4. On what date did this obligation/statutory violation first arise (M/D/YYYY)?

5. Has the State stopped incurring additional obligations related to this violation such as suspending performance of services or delivery of goods?

**SECTION D – Explanation of the Circumstances of the Statutory Violation**

1. What caused the statutory violation to arise?

2. List the organizational unit(s) where the statutory violation occurred and the employee responsible for oversight of spending in that unit.

3. What steps could the organizational unit have taken to avoid this statutory violation?

4. How does the organizational unit plan to avoid statutory violations in the future?

5. Has this organizational unit had a similar Statutory Violation in the past?
   If yes, describe why the prior preventative actions have failed to prevent this Statutory Violation from reoccurring.

6. Was the State's Procurement Code was followed for the purchase?

If not, explain how the violation of the Procurement Code was ratified in accordance with the Procurement Code and rules.

7. Were all other required approvals and waivers received prior to incurring the obligation?
   If not, describe the approvals and waivers have since been obtained.

**SECTION E – Evaluation of the Statutory Violation in Regards to Vendor Payment**

1. What is the legal name and address of the vendor/sub-recipient?

2. Describe whether the prices were fair and reasonable for the work performed and the basis for that determination.

3. Is the amount of this obligation within the unencumbered balance available for this purchase and does your agency or IHE have funds to make this payment.

4. Describe any actions taken or not taken by the vendor/sub-recipient that led to this Statutory Violation. Was there bad faith or any fraudulent activity that led to this Statutory Violation?

5. Provide special payment instructions, if any.

**SECTION F – Evaluation of the Statutory Violation in Regards to Personal Liability**

1. In the agency's/IHE's judgment, was there a willful disregard for the law, rules, policies or regulations on the part of the person(s) who incurred the violation?
   If so, describe how the agency/IHE will address this situation.

2. Does the agency or IHE request the approval to make the payment without recovering the amount of the payment from the person(s) who incurred the liability.

| OFFICIAL FUNCTIONS COMMITMENT REQUEST | | | RQ#_____<br>Line # _____<br>Partial/Final Payment<br>(Circle One) |
|---|---|---|---|
| Department, Division, or Agency | | | (Copy of Screen Print with proper approvals must be attached.) |
| Purpose of Function (Group Luncheon, Reception, etc.) | | | Date of Function |
| Payable to: | | Vendor Code: | |
| Address: | City: | State: | Zip Code: |
| Explanation of Estimated Direct Costs (Amounts for food, room rental, etc.) | | | |
| Contact Person | Phone Number | Estimated Number of Persons Attending | Estimated Total Costs<br>$ |
| Location of Function | | | Actual Cost<br>$ |
| Signature of Person Approving Funds/Expenditures | | Title | Date |
| Approval of Executive Director or Authorized Delegate | | Title | Date |

The department executive director or designee must approve an official function. Official functions estimated to exceed one-hundred dollars ($100.00) must be authorized prior to its occurrence. An official function estimated to cost one-hundred dollars ($100.00) or less may be approved after it occurs.

| STATE EMPLOYEES ATTENDING THE OFFICIAL FUNCTION | |
|---|---|
| Section Leader(s) by Name and the Number of Staff | Position Title(s) |
| VISITING GUESTS OR DIGNITARIES ATTENDING THE OFFICIAL FUNCTION | |
| Name (Include "And Spouse", if attending) | Affiliation |

IF ADDITIONAL SPACE IS REQUIRED, PLEASE ATTACH AN EXTRA SHEET.

Official Function Request.DOC

REVISED 05/2001

**OFFICIAL COLORADO STATE DOCUMENT**
**DO NOT ALTER THIS FORM**

# CERTIFICATION FOR PERSONAL SERVICES AGREEMENTS

Additional supporting documentation may need to be provided in addition to the completion of this form in its entirety. Contact your department's human resource office for assistance.

Department/Institution Name:

Contract Routing/PO Number: Modification #:

Original Total $ Amount: New Total $ Amount:

Contracting Company: Assigned Individual Contractor/Leased Worker(s):

**TERM OF AGREEMENT** **From:** **To:**

1. If this is a modification, please explain the reason for the modification including any difference in scope from the original contract. (Extensions, renewals, or decrease in services or funding do not require personal services review).

2. Please provide an explanation of the services being outsourced, including the type of services, skills and expertise to be purchased, how and why it is a specialized skill, and identify the direct beneficiary of the services.

3. Post April 7, 1993, are there specific statutory citations (not footnotes to the Long Bill) that require an outside contractor to provide this service?

   No Yes If **yes**, cite statute. C.R.S.

4. Have the services proposed for outsourcing been performed by state personnel system staff? No Yes

   If **yes**, provide the following:
   A. When?
   B. What job class was utilized?
   C. Why did the department decide to contract out these services?

   Are these services ongoing for an indefinite period of time? No Yes

   If appropriate, has permission been obtained to contract out these services (see ***Prior Approval Check List***)? If **yes**, please attach the written approval.

5. Will the proposed contract directly impact any current state personnel system staff?

   No Yes

   If **yes**, provide the following (attach all supporting documentation).
   A. List each employee impacted, the job class, position number, and current salary.

B. What measures will be taken to mitigate the impact, i.e., transfer, training, reassignment of job duties?

C. New position number of job class for impacted employees and new salary (if applicable)?

6. Was an analysis conducted to determine if the service is best performed by filling vacancies or permanently contracting? Provide documentation of the steps taken to address issues with program services before the decision to contract was made, e.g., recruiting efforts, cost benefit analysis.

7. What is the difference in cost between the contractor and the state (supporting documentation must be provided)? Cost must be considered in accordance with Director's Rule 10-2.

Contractor Cost State Cost

8. Has the individual or contractor performing the service, previously been used in any capacity listed below (indicate type and dates of performance)?

No Yes If **yes**, give last dates of **employment** or **contract** performance.

Temporary Employment Dates Permanent Employee Dates

Contract Performance Dates

**TO BE SIGNED BY PROGRAM REPRESENTATIVE**

**By signing below, you are certifying that all information, to the best of your knowledge is accurate and true and that the requirements for the business case as outlined in Director's Rules 10-2 have been met.**

| Department/Institution Representative | Title | Phone Number |
|---|---|---|

**THE FOLLOWING TO BE COMPLETED BY HR PERSONNEL ONLY**

1. I attest that the acquisition of services from the independent contractor will not result in the separation or displacement of state personnel system staff. Employees directly affected by the contract will be given proper notices as defined in Rule 10-5.

2. **Review/Approval Criteria:** The following are statutory citations by which the impacts to state personnel system staff are evaluated. Please identify those statutory criteria that would make this request an approvable agreement.

- ☐ The contract meets the relevant cost savings test. A "Cost Analysis" form must be completed and attached to this form. C.R.S. 24-50-503
- ☐ The contracts is for a new state program (created after 4/7/93), which statutorily authorizes the performance of the program by independent contracts. C.R.S. 24-50-504(2)(b)
- ☐ The contracted services are not available within the state personnel system, or cannot be performed satisfactorily by state employees, or are of a highly specialized or technical nature. C.R.S. 24-50-504(2)(c)
- ☐ The services are incidental to a contract for the purchase or lease of real or personal property. C.R.S. 24-50-504(2)(d)
- ☐ The contract is needed to protect against a conflict of interest, or to ensure independent and unbiased findings in cases where there is a clear need for a different, outside perspective. C.R.S. 24-50-504(2)(e)
- ☐ The contractor will provide equipment, materials, facilities, or support services that could not feasibly by provided by the state in the location where the services are to be performed. C.R.S. 24-50-504(2)(f)
- ☐ The contractor will conduct training courses for which appropriately qualified state personnel system instructors are not available. C.R.S. 24-50-504(2)(g)
- ☐ The services are of an urgent, temporary, or occasional nature. C.R.S. 24-50-504(2)(h)
- ☐ The contract is for purchased services. (The acquisition of services which directly benefit specific groups or individuals in the public at large.) C.R.S. 24-50-504(3)
- ☐ This is an intergovernmental agreement. C.R.S. 24-50-508
- ☐ The services provided are for a term of six months or less and are not expected to recur on a regular basis. C.R.S. 24-50-513

**PERSONAL SERVICES CERTIFICATION**
**HR Representative ONLY**

*Independent Contractor Certification:* The signature below indicates that the contract or commitment voucher is indeed an independent contract that does not create an employee-employer relationship and that these documents contain the required independent contractor language as part of the Director's Rules 10-4(E)(4).

*Department/Institution Certification:* I hereby certify that the attached agreement for personal services meets at least one criterion stated above and that all responses on this certification are true and accurate, to the best of my knowledge.

Date: by: _____ _____

Human Resource Representative Title/Work Phone Number

Revised document DPA 11/30/05

Department of Military & Veterans Affairs

## Personal Services Business Case

All personal services contracts require a Business Case. The purpose of the Business Case is to document the reasons why the Department is contracting out for labor needs. The level of detail depends on the nature of the contract services. Contracting for functions or programs performed by state employees requires a detailed analysis. Not all Business Cases will need all three sections completed. Please consider carefully before skipping any section as Chapter 10 of the Department of Personnel's rules requires these three areas to be addressed.

1. **Accountability**
   Accountability addresses whether governmental authority is being improperly delegated. For example, a contractor should not be tasked with policy-making for DMVA or supervising state employees. If a contract is mandated by statute, it should be addressed in this section.

2. **Cost Analysis**
   Cost needs to be considered for all contracts. Cost analysis should establish that contracting out these services is a better value for the State, now or through anticipated savings in future years. A cost analysis must be included if hiring a leased worker (temporary worker through an agency). If contracting out is not cheaper, address the advantages, such as efficiency, timeliness, or the contractor's qualifications, in the Quality section. If the contract impacts state employees, then a cost comparison form must be completed and must show cost savings. Include all actions taken to mitigate the effect of the contract on state employees.

3. **Quality**
   Quality addresses timeliness, functionality, durability, efficiency, the contractor's qualifications or flexibility of obtaining services from a contractor. For example, the contractor can provide technology that the State cannot, or the contractor provides experience and expertise that is not available within the state personnel system.

## Insurance Guidelines

We consider an analysis of insurance requirements to be a necessary part of any acquisition, whether micro-purchase (less than $5,000), other discretionary purchases, documented quote, or sole source.

We recommend on noncompetitive acquisitions that you balance against the cost of requiring insurance the following:

ASK Yourself:

- Whether the unique nature of a supply being furnished may have a reasonable potential for third-party claims or other damage to State property or personnel;
- The extent to which performance of the agreement may pose a risk of damage to State property or injury to personnel;
- The length of time that the contractor will be on State property during performance of the work, and the nature of the services being performed there; e.g., handling hazardous equipment or materials;
- The type of State property where the contractor will perform services; e.g., motor vehicles, hospitals, facilities (correctional, water, gas, sanitation, electrical, power, swimming), with more scrutiny given to locations within the confines of operations (*as defined in CRS 24-10-106 (a) (b) (f)*) because broader risk exposure exists in the Governmental Immunity Act for “operations;”
- Whether the vendor will be interacting with State clients, students, and/or persons entrusted to the State’s care;
- The likelihood that, regardless of the nature of the performance, the vendor may be publicly perceived as being an agent of the State or otherwise identified with the State program.

We recommend that you consult with your servicing legal counsel in cases where there may be a question about requiring insurance in any particular procurement, modifying the standard insurance language, or accepting "self insurance" as alternatives to standard insurance coverage. For more information, please contact the Purchasing and Contracts Office.

# State of Colorado
# Department of Military and Veterans Affairs

## Insurance Requirements

1. Vendor shall obtain, and maintain at his own expense and at all times during the term of a Micro Purchase, Purchase Order, or Contract, and any extension thereof, the following insurance.

A. **Standard Workers' Compensation and Employer Liability** as required by state statute, including occupational disease; covering all employees on or of the work site, acting within the course and scope of their employment.

B. **General Personal Injury, Automobile Liability**, and, when required by the State, **Professional Liability**, including bodily injury, personal injury and property damage, with the following minimum coverage:

1. **Occurrence** based policy: combined single limit of $1,000,000 or **Claims-Made** policy: combined single limit of $1,000,000 plus an endorsement that extends coverage two years beyond the policy expiration date

2. **Annual Aggregate** limit policy: Not less than $2,000,000 plus agreement that vendor will purchase additional insurance to replenish the limit to $2,000,000 if claims reduce the annual aggregate below $600,000

C. The State of Colorado **MUST** be named as an additional insured on **ALL** liability policies.

D. The insurance shall include provisions preventing cancellation without 30 calendar days prior written notice to the State by certified mail. In the event of cancellation of such coverage, vendor shall immediately notify the State of cancellation.

E. Vendor shall provide certificates of adequate insurance coverage to the State within 7 working days of receipt of award and PRIOR to beginning work, unless otherwise provided.

F. Vendor shall provide such other insurance as may be required by law, or in a specific solicitation.

# DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
# VENDOR SELECTION/QUOTE FORM
# for PERSONAL/PURCHASED SERVICES

1. List all vendors contacted for this project:

2. Explain why this vendor was chosen:

3. Explain how you know the price is fair and reasonable*:

*Common methods of price/cost analysis include:

a. Comparison of prices and rates to established catalog prices or market prices. There commonly are similar prices or rates, e.g. those on price agreements, that can serve as a guide to fairness or prices or rates proposed. In some cases, prices and rates are set by law or regulation.

b. Historical prices or rates for similar items or services procured in the past also serve as a guide to fair and reasonable prices.

## Guidelines for Sole Source Procurements

All sole source procurements for products or services must be submitted on the Sole Source Justification form. Purchasing Agents are responsible for reviewing the information submitted, verifying the availability of the product or service, documenting their findings and getting Director approval. The following guidelines are to be used in assisting the Purchasing Agent in making their determination.

- ✓ **Has the requestor provided the administrative information such as date of request and department name and contact?**

- ✓ Has the requestor provided the suggested vendor and contact information?

- ✓ Has the requestor identified whether this is a reoccurring procurement or a one-time procurement?

- ✓ Has the requestor provided sufficient information in the following categories?

**1. Needs Statement**

- ➢ Why does the requestor need this product or service? How does it meet their needs?

**2. Features Requirement**

<u>Matches Existing Equipment</u>. Is the requested product an integral repair or accessory compatible with existing equipment? If so, is it the only part or accessory that can possibly be used?

<u>Continuity</u>. The requested product or service must be identical to the existing product or service to ensure consistency in results.

- ➢ Holding an extra inventory of parts for a different machine would not be cost, space or time effective and can be used as a justification.
- ➢ Maintenance from a preferred single vendor cannot normally be used as a justification, unless there is no other source available for this service. For example, if the manufacturer is the only source available to provide maintenance on a product then the Purchasing Agent may be able to justify a sole source. However, if the Purchasing Agent determines that authorized dealers can provide maintenance as well as the manufacturer, then the maintenance service can still be bid.
- ➢ Training requirements cannot normally be used as a justification, unless training is of a complex and specialized nature. For example, a new product or service requiring training of personnel may not justify a sole source.

Examples of when a product or service is essential to maintain continuity in a program are:

- ➢ The requested product or service has been standardized.
- ➢ The use of another product or service would require considerable time and money to evaluate.

<u>”Only one in the world”/Prototype</u>

- ➢ What unique design/performance features does this unit have which are essential to your requirements?
- ➢ Was a brief, yet technical explanation provided as to why they are essential?

**3. Competing Brands Investigated**

- ➢ What other suppliers did the requestor contact?
- ➢ What other products or services with similar capabilities were considered? Why won’t these work?

- Requestor needs to state that to the best of his/her knowledge, these are the only companies that make this type of equipment. At the Purchasing Agent's discretion, they may contact these sources to verify the uniqueness of the product.

**4. Sources**

- To be used in brand name sole source situations.
- Is the product or service available from more than one source?
- If yes, requestor needs to provide company names of known sources, to include sales representatives and phone numbers.

**5. Price is "fair and reasonable"**

- Comparison of prices and rates to established catalog prices or market prices. There commonly are similar prices or rates, e.g. those on price agreements that can serve as a guide to fairness or prices or rates proposed. In some cases, prices and rates are set by law or regulation.
- Historical prices or rates for similar items or services procured in the past also serve as a guide to fair and reasonable prices.
- Consumer Price Index (CPI)

**6. Conflict of Interest**

- Has the requestor contacted you regarding a potential conflict of interest? If so, have you documented your findings?
- Do you know of any potential conflict of interest that needs to be further investigated?

**7. Department Approval**

- All sole source justification forms must be signed and dated by the individual writing the sole source.

**8. Determination**

Note: Unless there is a special reason not to, the Purchasing Agent will post a sole source notification on the BIDS system for a minimum of two business days.

✓ <u>Sole source approved</u> – purchase as requested.

Requestor MUST meet BOTH criteria to have a sole source procurement:

a) There is only one supply or service that can reasonably meet your need, and
b) There is only one vendor who can reasonably provide that supply or service.

A sole source justification **cannot** be based on price alone.

✓ <u>Brand name approved</u> – issue bid on a "no substitutes" basis.

Requestor MUST prove that there is only one supply or service that can reasonably meet the need to have a *brand name* sole source procurement.

✓ <u>Sole source not approved</u> – issue bid using performance specifications.

Purchasing Agent makes this determination. It is recommended that you discuss with the requestor prior to issuing a bid to ensure specifications are complete.

## State of Colorado – Sole Source Justification

Section 24-103-205, C.R.S., as amended

**TYPE or CLEARLY PRINT ALL INFORMATION**
(Attach Additional Pages as Needed)

You MUST complete this form before beginning any procurement where the basis for vendor selection is:

- ✓ Only one product or service can reasonably meet your need, AND
- ✓ Only one vendor can reasonably provide that product or service.

*(You MUST meet BOTH criteria to have a sole source procurement. Procurement Rule R-24-103-205-01)*

Department: _____ Division: _____
Address: _____
Contact Name: _____ RX, PO or Contract #: _____
Phone: _____ FAX: _____
Department Approving Official Name: _____
Department Approving Official Signature: _____
Describe in detail the products and /or services to be procured and how they meet your needs.

Vendor Name: _____ FEIN #: _____
Vendor Address: _____ Phone: _____
Have you procured products and/or services from this vendor in the past 2 years? If Yes explain ☐ No ☐ Yes

Start Date: _____ End Date: _____
Estimated Total Dollars for this Procurement: $ _____
Provide estimated cost breakdown of supplies and/or services covered by this procurement:
Supplies $ _____ Services $ _____

Attach a detailed explanation of Vendor's Sole Source Status – what is the basis for your identifying this as a sole source?

- ✓ Do you have an actual or potential conflict of interest in this purchase request? ☐ No ☐ Yes
  - ✓ If yes, please explain on an attached sheet.

**Purchasing Use Only:** Comments: *** ***Approved for one time purchase as described on this request*** ***

- ✓ How is pricing deemed fair & reasonable per §24-103-403? _____

Approved: _____ _____
State Purchasing Director or Authorized Representative Date

DPA DFP 1/2004

**Use of Sole Source Form/Summary of Price and Cost Analysis Requirements:**

Both sole source and emergency procurements require a written determination by the head of a purchasing agency, or a designee, of the basis for the approval. This form is designed for approval of a "sole source," not an emergency procurement. Consult with your procurement official regarding requirements for emergency procurements.

This form should be completed and approved before formal negotiations leading to execution of an agreement with a vendor where a competitive process (documented quote, sealed bid, or competitive sealed proposal) is not used because a sole source is justified.

Normally, the actual pricing cannot be evaluated until after execution of the contract or issuance of the purchase order. The price or cost analysis (§24-103-403) should be included with the procurement file before execution of a purchase order or when the contract is routed for approval.

The methods of price cost analysis are explained in Chapter 5 of the Colorado Contract Procedures and Management Manual. Normally, price analysis is not done in competitive solicitations where "adequate competition" exists, because the competitive process takes care of the "fairness and reasonableness" of prices.
However, in a sole source situation where no price competition exists, some analysis must be done to insure that the requirements of the controller's statute are met, i.e., that prices or rates are "fair and reasonable."

Common methods of price/cost analysis include:

a. Comparison of prices and rates to established catalog prices or market prices. In a sole source situation, there commonly are similar prices or rates, e.g., those on price agreements, that can serve as a guide to fairness or prices or rates proposed by a sole source provider. In some cases, e.g., some utilities, prices and rates are set by law or regulation (utility tariff rates).

b. Historical prices or rates for similar items or services procured in the past also serve as a guide to fair and reasonable prices.

c. In either case, even though neither historical or market prices involve the identical service, some analysis can often be done which evaluates the differences in the types of services or goods, and concludes that the nature of the differences warrant the differences in pricing. In other cases, judgments must be made that proprietary aspects of the service or commodity warrant expenditure of the prices or rates in excess of what is customary.

d. In cases where neither historical or catalog prices exist, cost analysis must be used. Vendors can be asked to provide summary level detail of materials and labor costs, as well as markups and other indirect cost rates included in the price. Technical judgments concerning labor hours can be applied to labor hour rates to evaluate the reasonableness of the overall price. Reasonable profit, of course, is another element of price. The Procurement Rules require the submission of cost or pricing data for noncompetitive acquisitions exceeding $50,000.

Form **W-9**
Substitute Form
State of Colorado 8-2007

**Request for Taxpayer Identification Number and Certification**

Give form to the requester. Do not send to the IRS.

Print or Type
See Specific Instructions on page 3.

Name

Business name, if different from above

Check appropriate box:
☐ Individual/ Sole Proprietor ☐ Corporation ☐ Partnership ☐ Other ► ☐ Exempt from backup withholding

Address (number, street, and apt. or suite no.) | Requester:

City, state, and ZIP code.

List Account number(s) here (optional) | Phone: Phone:

**Part I** **Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. For individuals, this is your social security number (SSN) **However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3.** For other entities, it is your employer identification number (EIN). If you do not have a number, see **How to get a TIN on page 3.**

Social Security number

**Note**: *If the account is in more than one name, see the chart on page 3 for guidelines on whose number to enter.*

Employer identification number

**Part II** **Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because. **(a)** I am exempt from backup withholding, or **(b)** I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or **(c)** the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item **2** above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item **2** does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 3.)

Sign Here | Signature of U.S. person ► | Date ►

**Minority and Women-owned Businesses (M/WBEs) Self Certification (Please check all boxes that apply)**

In an effort to track levels of participation by women and minorities doing business with the State of Colorado, the following information is requested. Please indicate the appropriate category of ownership for your company. "Owned" in this context means a business that is at least 51 percent owned by an individual(s) who also control(s) and operate(s) it. "Control" in this context means exercising the power to make policy decisions. "Operate" means actively involved in the day-to-day management. If you business is jointly owned by both men and women or is a large publicly held corporation, please check the box labeled "Not Applicable."

**Gender Information:**

☐ Female-Owned ☐ Male-Owned ☐ Not Applicable

**Owner Ethnicity Information**

☐ African American ☐ Asian/Pacific American ☐ White (non-Hispanic) ☐ Not Applicable

☐ Hispanic American ☐ Native American ☐ Other: _____

**Small Business Information**

Small Business (a business that is organized for profit, is independently owned and operated, and has 25 or fewer full time equivalent employees.)

☐ Yes ☐ No

## Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.**
Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

***Example.*** Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

**What is backup withholding?** Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

**Payments you receive will be subject to backup withholding if:**

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

## Penalties

**Failure to furnish TIN.** If you fail to furnish your correct TIN to a requester, you are subject to a penalty of $50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

**Civil penalty for false information with respect to withholding.** If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a $500 penalty.

**Criminal penalty for falsifying information.** Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

**Misuse of TINs.** If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

# Specific Instructions

## Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

**Sole proprietor.** Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.