

Southwest Colorado Council of Governments

# Purchasing Policies

Adopted 10 January 2014

## PURPOSE

The purpose of this policy is to establish procedures to maximize the value of public funds spent for purchasing goods or services. This process allows the establishment of safeguards for maintaining a system of quality and integrity.

## GENERAL GUIDELINES

All purchases of materials and supplies shall be made in accordance with the following guidelines:

1. The SWCCOG Accounting is responsible for monitoring purchases, for establishing purchasing systems, and for providing assistance to departments making purchases. In the absence of an accountant the Executive Director is responsible.
2. If the Executive Director is the employee making a purchase, the Executive Committee of the Board of Directors shall oversee within the same guidelines as the Executive Director oversees employee purchasing.
3. All purchases must be made with funds that have been appropriated by the SWCCOG Board for the intended purpose. To the greatest extent possible, purchases shall be made in accordance with funds budgeted for that purpose.
4. Purchase Orders are required for any purchases totaling more than \$500.00
5. The Executive Director may approve normal budgeted utilities, insurance, debt service and other established payments (to include memberships, uniforms, and other identified expenditures) without further review or approval.
6. The SWCCOG Board and/or Executive Director may, from time to time, restrict any or all budgeted purchases if there is a shortage of available cash.
7. Vendor quotations for materials, equipment, services, and supplies may be rejected on the basis of inferior quality or unacceptable delivery time.
8. Quotes may be provided by vendors verbally, but must be followed by written confirmation. Documentation of all written quotations shall be forwarded to the SWCCOG Accounting, where a master file of quotations will be maintained.
9. In general, quotations or bids should be awarded to the lowest qualified, responsive bidder or vendor.
  - a. *Lowest qualified bidder* means the bidder with the lowest price and the highest qualifications, based on the following criteria: (1) the ability, capacity and skill of the bidder to perform the contract or furnish the supplies required; (2) whether the bidder can perform the contract or furnish the supplies promptly or within the time specified, without delay or interference; (3) the character, integrity, reputation, judgment, experience and efficiency of the bidder; (4) the quality of performance on previous contracts; (5) previous and existing compliance by the

bidder with all laws and ordinances relating to the contract or service; (6) sufficiency of financial resources and ability of the bidder to perform the contract or furnish the supplies; (7) the ability of the bidder to provide future maintenance and service; and (8) the response to the invitation for bids. *Responsive bidder* means a person or firm that has submitted a bid which conforms in all material respects to the invitation for bids.

- b. Having received a low quotation or bid, department heads are enabled to negotiate the price further with the vendor, if necessary, to bring purchases into the range of the approved budget.
10. Purchase of quantities of materials and supplies shall not be broken down with the intent of applying a less restrictive purchasing procedure.
  11. It shall be the policy of the SWCCOG to seek a minimum of three written quotes wherever possible. These can be provided digitally from the potential vendor. If reasonable attempts are made by the department head to obtain quotes from vendors and is unable to obtain three quotes due to the unresponsiveness of vendors contacted or the lack of potential vendors for the product or service, this requirement may be waived by the Executive Director, in consultation with the appropriate department head.
  12. All commonly used materials, supplies and equipment will be standardized as much as possible for better prices through quantity (bulk) purchase of fewer varieties of material and to increase proficiency in the SWCCOG evaluation of product performance. Selection of specific products that have been rated high in product performance evaluations may be classified as best buy.

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

### AUTHORIZATION LEVELS AND REQUIRED PROCUREMENT PROCEDURES

In order to fully implement a SWCCOG purchasing policy that will provide sufficient standardization and accountability, as well as to ensure a sufficient degree of operational flexibility to the SWCCOG's various departments, the following levels of authorization and procedures are hereby established:

#### BUDGETED PURCHASES

<i>Amount</i>	<i>Required Procedures</i>
Less than \$1,000	Purchase of budgeted items shall be approved by the appropriate department head or the Executive Director. Items shall be purchased at their discretion, with a goal of cost containment.
\$1,001-\$5,000	Purchase of budgeted items shall be approved by the department head, Accounting and Executive Director. A minimum of three (3) written quotes shall be provided.

\$5,001-\$10,000	Purchase of budgeted goods or items shall be approved by the department head, Accounting, Executive Director and Board of Directors. A minimum of three (3) written quotes shall be provided.
\$10,001 and over	Budgeted project, service or item will be advertised for public bids through a formal requisition process. This may take the form of an RFP, or similar process.

### NON BUDGETED PURCHASES

Any non-budgeted purchase over \$1,000 shall receive prior approval from the department head, Accounting, Executive Director and the Board of Directors and a minimum of three (3) written quotes shall be provided.

Any non-budgeted purchase exceeding \$10,000 shall receive approval from the aforementioned individuals and shall be advertised for public bids.

### COOPERATIVE PURCHASE

The SWCCOG may participate in joint bidding with other governmental agencies and or the Rocky Mountain E-Purchasing System if it is deemed in the best interest of the SWCCOG to do so.

### SOLE SOURCE PURCHASE

A sole source purchase may be made without receiving requests for bids or quotations if it has been determined that only one vendor is capable of meeting all specifications and purchase requirements. Written justification for waiving the competitive bid process shall be provided by the department head.

### EMERGENCY PURCHASE

Emergency conditions requiring purchases are defined as situations in which health, welfare and/or safety of employees or the public are endangered. This includes, but is not limited to, the immediate repair of property or vehicles as necessary under circumstances described above. Emergency purchases of capital equipment/services shall be pre-approved by the Executive Director.

### CREDIT CARD PURCHASES

The SWCCOG has one credit card. It is in the possession of the Executive Director. When a card is needed, employees shall receive prior authorization from the Executive Director. Employees may take a card while traveling on official SWCCOG business if approved by the Executive Director. Its use shall be in accordance with SWCCOG travel policies.

### LOCAL PREFERENCE

A Local Business is defined as a person, partnership, corporation, limited liability company or joint venture which is authorized to transact business in Colorado and whose principal business address is located within Archuleta,

Dolores, La Plata, Montezuma, and San Juan Counties, and which is approved to provide goods and services to the SWCCOG based upon a determination by the SWCCOG staff member making the purchasing decision that the local business meets standards of business competence, reputation, financial ability, product/service availability and product/service quality.

By reason of its business location, an advantage in consideration for award of a project or bid may be granted to a local business. The local business shall receive a 10% preference over all non-local business bidders, or a \$500.00 reduction in bid price when comparing it against other bids, whichever is less. In no event shall the local business preference exceed the amount of \$500.00.

It is the policy of the SWCCOG to solicit bids from local suppliers whenever and wherever such competitive local sources exist, and where no sacrifice or loss in price, availability or quality would result.

This local preference policy is subject to all applicable federal or state laws and regulations, and shall not apply to the extent it conflicts with any state statute or federal law regulation.

It is expressly understood and provided that enforcement of the terms and conditions of the local preference policy is limited to the SWCCOG, that nothing contained in these policies shall give or allow any claim or right of action to any other person or entity on such policy, and that it is the express intention of the SWCCOG that any person or entity other than the SWCCOG receiving any service or benefit under the policy shall be deemed to be an incidental beneficiary only.

## OUTSIDE FUNDING

In the case of goods and services procured with aid from any grant funding source and/or other federal or State of Colorado funds, the SWCCOG's procurement and local preference policies shall defer to the procurement rules (if any) of the grantor or funding entity.

## CONFLICT OF INTEREST

Board members and staff shall disclose at the earliest stage possible any personal or private interest in any purchase or award of contract proposed before the Board of Directors. Board members may not vote on these matters and shall refrain from attempting to influence the other members of the Board of Directors in voting on the matter. Staff and Board Members shall comply with applicable state law concerning conflict of interest and disclosure requirements, including C.R.S. 24-18-10 et seq., C.R.S. 31-4-404, C.R.S. 24-18-201, C.R.S. 18-4-301, C.R.S. 18-4-401, and C.R.S. 18-8-308 and any related protocols of the SWCCOG Board of Directors.

## SURPLUS SUPPLIES AND EQUIPMENT

The SWCCOG Accounting shall work with the appropriate department head to oversee and administer the disposition of surplus inventory, including supplies and equipment that has been identified as no longer used or has become worn out. The Executive Director, in conjunction with the SWCCOG Accounting, may cause from time to time, any surplus supplies or equipment to be destroyed or sold after advertisement to the highest bidder, and the proceeds of the sale deposited into the appropriate fund of the SWCCOG.

## EMPLOYEE REIMBURSEMENTS

Employees may be reimbursed for out of pocket expenses under \$50.00 from the SWCCOG’s Petty Cash Fund by providing an approved “Request for Reimbursement,” which shall include a copy of the receipt. Over \$50.00, the employee may be reimbursed via check with an approved “Request for Reimbursement.” Generally, employees should not pay out of pocket for expenses, but should utilize SWCCOG accounts established with vendors for supplies and services wherever possible.

## PURCHASE ORDER FLOW CHART

