

RESOLUTION NO. 8, 2013

A RESOLUTION ADOPTING TOWN OF JAMESTOWN PURCHASING POLICIES

WHEREAS, the Board of Trustees wishes to adopt a set of Purchasing Policies to govern the procurement of specified goods and services; and

WHEREAS, the proposed Purchasing Policies and the award of bid provisions included therein are solely in support of the proper exercise of the Town's fiscal responsibilities and are for the benefit of the Town of Jamestown, and confer no rights, duties or entitlements to any bidders or proposers; and

WHEREAS, the Board of Trustees determines the attached Purchasing Policies should be approved and adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF JAMESTOWN, COLORADO:

Section 1. The Town of Jamestown Purchasing Policies in the form attached hereto, are hereby adopted by the Board of Trustees effective October 7, 2013.

INTRODUCED, READ AND ADOPTED this 7th day of October, 2013.

TOWN OF JAMESTOWN, COLORADO



Tara Schoedinger, Mayor

ATTEST:



Mary Ellen Burch, Town Clerk

TOWN OF JAMESTOWN PURCHASING POLICIES

The purpose of these policies is to establish purchasing 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. These policies are applicable to all purchasing for the Town of Jamestown and are established to ensure that needed goods and services are obtained in a timely manner, at the lowest prices possible, consistent with acceptable quality standards.

The Town of Jamestown shall follow set procedures established for the procurement and purchase of services or goods exceeding \$25,000. All Town employees and elected officials are required to exercise prudence when using public funds for procurement of any goods or services regardless of the amount. At no time should an expenditure exceed the overall appropriation for the expenditure of money. And the entering into a contract for an amount more than \$500 shall require the approval and signature of the Mayor before they can become valid.

Procedures which apply to purchases made directly by Town staff as well as the steps followed by the Town Clerk are described below, along with the public purchasing law and ethical standards that shape the Town's purchasing activities.

3.1 Governing Laws and Policies.

Procurements by the Town of Jamestown are governed by state law and these Purchasing Policies. The Town of Jamestown establishes further requirements for the Town's purchasing activities in separate sections of this policy. The Town's administrative policies and procedures describe basic procurement processes: e.g., public bidding, bid opening, bid evaluation and bid award.

3.2 Principles and Ethics.

All employees of the Town of Jamestown subscribe to the following principles and ethics:

We believe in the dignity and worth of the service rendered by government and our own social responsibility as trusted public servants. We consider, first, the interest of the Town in all transactions and agree to carry out the Town's established Purchasing Policies and applicable law.

We will keep the Town informed, through appropriate channels, on problems and progress of the Town of Jamestown that we serve, but keep ourselves in the background, by emphasizing the importance of the facts.

We are governed by the highest ideals of honor and integrity in all public and personal relationships in order that we may merit the respect and inspire the confidence of the Town and the public, which we serve.

We strive to stimulate competitive bidding in order to obtain goods and services at the lowest possible cost, and to provide all interested vendors with the opportunity to offer their products to the Town.

We strive to accord a prompt and courteous reception, so far as conditions will permit, to all who call on a legitimate business mission.

We believe that personal gain or benefit obtained through misuse of public or personal relationships is dishonest.

3.3 Conflict of Interest.

No employee or official of the Town shall participate in a transaction, contract, activity, or service of the Town which has a direct or predictable effect on the employee's or official's financial interests or the financial interests of an employee's or elected official's immediate family member or is otherwise prohibited by law.

3.4 General Purchasing Rules.

All purchases or contracts for services of any kind or description, payment for which is to be made from funds of the Town of Jamestown, shall be, without exception, in the following manner.

3.4.1 Emergency Purchases. Emergency purchases shall be authorized by the Mayor within limits set by the Board, or when a threat exists which jeopardizes public health, peace, safety or property. An emergency situation is an event that creates an immediate threat to the public health, welfare, or safety of the Town of Jamestown or where a need for immediate action for preservation or protection of Town property may arise by reason of natural disasters, epidemics, riots, equipment failure, or such other reasons. Such conditions create an immediate and serious need for supplies, services, or construction that cannot be met through normal procurement and approval methods. 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). Only the quantity of goods or services necessary to alleviate the emergency may be purchased under emergency conditions. Poor planning does not constitute an emergency. The Mayor will present circumstances of the event to the Town Board at the next regularly scheduled Town Board meeting.

3.4.2 Maintenance Agreements. The Mayor shall approve all maintenance contracts before acquisition of said services are allowed. Such maintenance agreements typically are contracts for services and repair of equipment items and can be, but are not limited to, purchased equipment that is not leased (ie: office equipment, cleaning services, etc) in these situations the following practices will be followed:

- a. A maintenance contract will be used when it is considered cost beneficial to do so rather than to pay for service on a per-call basis. (In most instances, such maintenance contracts shall be included in the original purchase quote for such items. Exceptions are for capital purchases where ongoing use of the equipment exceeds one year and ongoing maintenance is required.)
- b. Maintenance agreements costing more than \$25,000 must be obtained through a formal bid/quote process unless said services/goods can only be serviced by the original vendor than a sole source purchase would be authorized.
- c. When the cost of services through an agreement exceeds \$50,000 a formal RFP process will be used. A Town form of contract for services shall be used, though vendor forms may be used if amended to be substantively the same as the Town's form of service agreement.
- d. Only the Mayor shall sign or enter into any contract for the Town. It is important to understand that authority to approve expenditures from the budget does not constitute authority to bind the Town to contracts or contract changes. To originate a maintenance agreement, a request for approval must be submitted to the Mayor. For contracts costing more than \$25,000, the request for approval shall contain the three quotes including a full description of the service to be received, the vendor's name, and the price. An open ended purchase order shall be issued for the current fiscal year only.

3.4.3 Vehicle Purchases and Vehicle Repairs. Vehicle purchases shall be conducted through a competitive bid/quote process. Included in the quote or bid for vehicles are those specifications necessary for the vehicle to perform functions unique to the department requesting said vehicle. Purchasing steps to be followed:

- a. Those purchases not exceeding \$25,000 and pre-approved in the budget shall be submitted to the Mayor for approval. A memorandum outlining purchase justification with competitive bids/quotes attached will also be submitted to the Mayor.
- b. All purchases exceeding \$25,000 require review by the Mayor prior to submitting to the Town Board.
- c. Vehicle purchases exceeding \$25,000 and pre-approved in the budget shall be reviewed and approved by the Town Board. A memorandum outlining purchase justification with competitive bids/quotes attached should also be submitted.
- d. Vehicle purchases not pre-approved in the budget require approval by the Town Board.

3.4.4 Personal Purchases. It is prohibited for an employee or official to make purchases for personal purposes or to receive special pricing from a vendor using the Town's name, account, or reputation.

3.4.5 Credit Card. The Town Clerk has the responsibility to oversee all purchasing activities for all departments of the Town. Any employee that has a purchasing card approved by their department head is authorized to purchase goods pursuant to 3.8 below.

3.4.6 Purchase Orders. A purchase order is not required for items under \$1,500, and a purchase order will be issued at the time an order is placed or contract signed.

3.4.7 Purchasing Thresholds.

a. **\$5,000 to \$25,000.** Capital purchases exceeding \$5,000 but not more than \$25,000 shall be made only when said goods or services have been approved through the budget process. These purchases require approval by the Mayor before acquisition of the good or service can be obtained. Purchases under this category that have not been approved through the budget process shall require approval by the Town Board at a scheduled Town Board meeting. Purchases under this category shall require (3) competitive bids/quotes regardless if the item(s) to be purchased were pre-approved via the budget process. These purchases require approval of the Mayor before being presented to the Town Board of Trustees. The following process shall include:

- A memorandum to the Mayor requesting release of approved funds to effect the purchase of goods or services (and attachment of the 3 competitive bids).
- Those purchases requested that are not within the approved budget require an action item addressed to the Town Board (and attachment of the 3 competitive bids).

b. **\$Greater than \$25,000.** Capital purchases or contracts for services for an amount greater than \$25,000 requires formal sealed bidding. In those cases, bid packages are prepared and distributed to prospective bidders of the commodities or services required.

- Bids are publicly opened at the time, date and place specified. Bids must be received on or before the published deadline.
- After bids are opened, the tabulation and analysis is made. A recommendation for consultant selection is made to the Town Board at a regular Town Board meeting. An award is then made via a purchase order.
- Awards over \$25,000 require issuance of a contract. The successful bidder will also be required to furnish Certificates of Insurance,

Performance/Payment Bonds, Worker's Compensation etc as specified in the bid documents.

- Pre-bid meetings may be held on projects when deemed necessary by Town staff. Invitations to bid will specify the date, time and location of such meetings.

- c. **Requests for proposals (RFP) for purchase of services under \$25,000.** Generally, RFPs shall be issued for the acquisition of consulting services. The issuance of an RFP for a construction project is dependent on the magnitude and complexity of the project. Final determination to issue an RFP for such a construction project is the decision of the Mayor. At a minimum all RFPs shall contain:

- Introduction describing the nature and term of the request
- Scope of services
- Broker minimum requirements, qualifications and experience
- Rate schedule for services
- Illegal aliens language
- Submittal process with deadline and contact information, proposals are public information and the town reserves the right to reject any or all proposals.

- 3.4.8 Sole Source Purchases. A contract may be awarded for a supply, service, or construction item without competition when, the Mayor or Town Board determines (within its respective purchasing level) that there is only one source for the required supply, service, or construction item. Only the Mayor has the authority to grant this exception, each within its respective purchasing level. Sole source purchasing procurement is not permissible unless the required good(s) or service(s) are only available from a single supplier. A requirement for a particular proprietary item or service does not justify 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 sole source procurement:

- Where the compatibility of equipment, accessories, or replacement parts is the determining factor.
- Where a sole supplier's item is needed for trial use or testing.
- Where a sole supplier's item is to be procured for resale.
- Where public utility services are to be procured.
- For continuity between multi-phased projects.

- 3.4.9 State Bids. The State of Colorado has expended considerable time and money to assure that the items on the State Bid list 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 through 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:

Enter: www.gssa.state.co.us

Click on link to State Purchasing Office

Click on link to Current Price Agreements

Click on link to List of Price Agreements (for Commodities/Services) in middle of page

3.4.10 Local Preference. The Town may provide a 2% local purchasing advantage for equipment, supplies and services up to \$37,500. The Mayor shall make final determination of whether the local advantage is applicable.

3.7 Exemptions from the Public Bidding Process

The Town recognizes certain exemptions from the Public Bid Process, as described herein.

3.7.1 Professional Services. This Purchasing Policy shall not apply to professional services and the requirements shall not be mandatory in the employment of professional services. Professional services include, but are not limited to, the following: Attorneys, Bond Counsel, Certified Public Accountants/Auditors, Consultants, Engineers, Financial Advisors, Physicians, Real Estate Brokers.

3.7.2 Design-build Services. This Purchasing Policy shall not apply to design-build specialty services so long as the Town Board approves such an exemption through formal action.

3.7.3 Use of State Bids Awards. This Purchasing Policy shall not apply if departments are able to piggy-back on a State bid award, GSA bid award, or other bid award where a Public Bid Process has taken place.