LARIMER COUNTY POLICIES AND PROCEDURES

FINANCIAL POLICY AND PROCEDURE **300.1P**

SUBJECT: PURCHASING POLICY AND PROCEDURES

DATE: September 10, 2019

EFFECTIVE PERIOD: Until Superseded
REVIEW SCHEDULE: Every three years in August, or as needed

CANCELLATION: Larimer County Purchasing Policy and Procedures 300.1O; February 14, 2017

ENCLOSURES:
1. Purchase Order, LCFI-1 (06/12)
2. Requisition LCFI-4 (05/11)
3. Conflict of Interest Disclosure Form LCFI-5 (12/16)
4. Purchasing Waiver Request Form LCFI-12 (3/19)

REFERENCES:
A. CRS 1973, Sections 30-25-103, 24-103-202(4)
B. Financial Policy and Procedure 321.1.1 - Capital and Non-Capital Outlay Procedures
C. Governing Policy 3.4.5 - Financial Condition and Activities
D. Financial Policy and Procedure 320.22 - Commercial Credit Card Program
E. Administrative Policy and Procedure 390.3 – Certificate of Insurance Policy
F. Human Resources Policy 331.4.25 – Legal Compliance, Section VI Ethical Standards
G. Larimer County Comprehensive Emergency Management Plan
H. 2 CFR Part 200, Sections 200.318 – 200.326, and applicable updates
I. Administrative Policy and Procedure 100.2 - Signature Authority for County Documents
J. Financial Policy and Procedure 320.7 – Grants Policy
K. Administrative Policy and Procedure 310.11 – Disaster Policy
L. Property Real and Personal Contractors Bonds and Liens C.R.S.38-26-105 and 38-26-106

PURPOSE: The purpose of this Policy is to establish policies and procedures for transactions made with County funds, or funds for which County oversight or accounting is required. Such procedures adhere to State requirements and good business practices; and provide reference for cross-training and training new personnel.

SCOPE: This Policy and Procedure applies to all Offices, Departments and Boards of Larimer County government, for the purchase of goods and/or services for County use or for which

County oversight or accounting is required. All organizations under the scope of this Policy are referred to as "customer departments" within the Policy.

RESPONSIBILITY: The Purchasing Department shall assist all customer departments with the purchase of goods and services needed in the right quality and quantity, of the best fit, of the best value, on a timely basis, using fiscally responsible methods in accordance with the County's Governing Policy (reference C).

Elected Officials, Directors and Department Heads are responsible for determining what goods or services are to be acquired to carry out County functions within their approved budgets. They also shall ensure compliance with this Policy within their Department or Office.

SPECIFIC REQUIREMENTS: None

REVISION LOCATOR:

1. Enclosure 4 (*added*)
2. References A and F
3. Reference L (*added*)
4. Purpose
5. Section IV, V, and VI
6. Section VII (*added Bond Requirements section*)
7. Section X and XVII
8. Section XIX, A, 5 (*moved Bonding Requirements to Section VII*)
9. Section XXI, D, 1
10. Section XXII

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POLICY AND PROCEDURE:

I. AUTHORITY OF THE PURCHASING DIRECTOR

The Purchasing Director (or his/her designee) for Larimer County is hereby designated as agent for the Larimer County Commissioners, under the supervision of the Director of Financial Services, to carry out the acquisition of goods and services needed by all customer departments of the County (reference C).

A. The Purchasing Director does not have the authority to purchase real property. All real property purchases should go through the County Manager.

B. This Policy authorizes the Purchasing Director to use non-traditional procurement methods (such as electronic reverse auctions, and email or online bid or proposal acceptance) on an experimental basis, provided that such methods do not inhibit fair and open competition or compromise the integrity of the procurement process and that the use of such a method is approved in advance, in writing, by the Director of Financial Services.

C. There may be occasions in which special circumstances will not allow normal purchasing procedures to be followed. The Purchasing Director may waive certain purchasing procedures.

D. Have the authority to make informal and formal purchases by signing Purchase Orders that adhere to this Policy.

E. It is not the intent of this Policy to cover every possible situation. Questions arising from the use of this Policy, or in the handling of situations not covered herein, should be directed to the Purchasing Director or his/her designee.

II. DUTIES OF THE PURCHASING DIRECTOR:

The Purchasing Director shall:

A. Develop County purchasing policies, programs and procedures for the negotiation and acquisition of goods and services.

B. Obtain as full and open competition as is possible for all purchases of goods and services.

C. Procure for the County, at the best economic advantage, all requested goods and services of the highest quality necessary to reliably accomplish the function or service required.

D. Encourage the procurement of goods and services that cause less harm to humans and the environment than competing goods and services that serve the same purpose.

E. Consolidate purchases of like or common items, when possible, to obtain the maximum economic benefits.

F. Require vendors to fulfill all terms and conditions of Contracts and Purchase Orders and negotiate the terms and conditions when required.

G. Secure all applicable federal, state, and local tax exemptions on purchases or Contracts made through the Purchasing Department.

H. Supervise the operation of the Purchasing Department and assist in the business relationship between the customer department and vendor with regard to bids, proposals and quotes processed through the Purchasing Department.

I. Know the source and availability of needed goods and services, aid customer departments in drafting useful specifications, consolidate requirements to obtain volume prices when able, and expedite ordering and delivery.

III. FUNDING OF PURCHASES:

C.R.S. 1973 Section 30-25-103 (reference A) states “no contract shall be made by the board of county commissioners of any county, and no liability against the County shall be created by any officer of the county, whether the object of the expenditure has been ordered by the board of county commissioners or not, unless an appropriation shall have been previously made concerning such expense. Each member of the board of county commissioners and other officers of the county who undertake to create any liability against the county, except such as they are by statute required to do, shall be personally liable and, together with the sureties upon their official bonds, shall be held for such indebtedness”, therefore, no customer department shall make any purchase without first verifying that funding is available for said purchase.

IV. PURCHASING DOLLAR THRESHOLDS:

The table below provides the Purchasing Dollar Thresholds; these are further defined in the next section.

Requirement	Normal Daily Operations	1st 60 days* following a Local Disaster Declaration** (applies only to purchases directly related to the locally declared disaster, and must follow Uniform Grant Guidance)
Small Purchase	$0.01 - $5,000	$0.01 - $10,000
Informal Solicitation	$5,000.01 - $50,000	$10,000.01 - $250,000
Formal Solicitation	$50,000.01 and above	$250,000.01 and above

*Or other period of time as designated by the Board of County Commissioners of Larimer County.

****NOTE**: The "*Local Disaster Declaration*" column will apply **ONLY** to purchases that are **directly related to the declared disaster**. Purchases not directly related to the disaster **must** continue to be procured per the "*Normal Daily Operations*" column.

V. TYPES OF PURCHASES:

A. SMALL PURCHASES ($0.01 - $5,000) are transactions for goods and services costing **$5,000 *or less*** (see paragraph V.A.6. for further explanation) and do not **require** either quotes or a Purchase Order. Except as noted below, customer departments shall have the authority to make small purchases without prior authorization of the Purchasing Department.

1. No purchase shall be subdivided into more than one invoice or more than one separate charge and paid for either on a Commercial Card or by any other method, to avoid the $5,000 threshold.
2. County funds may not be used to purchase alcoholic beverages.
3. For any project, the customer department shall contact the Risk Management Department to inquire about any insurance requirements and have the vendor's certificates of insurance ***approved*** by the Risk Management Department ***prior to*** any vendor coming on County property for business purposes and/or beginning work (reference E).
4. The Contract Administrator (the person managing the Contract) in the customer department is responsible for managing the transaction and is responsible for ensuring the award vendor's insurance remains up-to-date for the duration of the project.

5. The Purchasing Department expects that these purchases will be made with a Larimer County Commercial Card unless a Purchase Order is required by the vendor (Reference D).
6. If between $5,000.01 - $50,000 is spent for substitute goods and/or services, either to the same or separate vendors, in a 12-month period, an informal solicitation (three (3) quotes, or RFQ) will need to be completed (see V.B.1. for further information).
7. Although quotes are not required for small purchases, it is recommended quotes be obtained to ensure the County is garnering the best price possible.
8. The person completing the acquisition shall use professional judgment to ensure that the County is receiving maximum value.

B. SOLICITATIONS (Quotes, Bids, Proposals)

There are two types of Solicitations; Informal (not formally advertised to the public), and Formal (formally advertised to the public), described below. For additional information regarding Solicitations, see the Purchasing web page located on the internal Larimer.org web page.

1. INFORMAL SOLICITATIONS ($5,000.01 - $50,000; 3 Written Quotes, or RFQ)
"Informal Solicitations" are transactions for goods and/or services in which the **total dollar value ranges between $5,000.01 and $50,000**. These purchases require seeking THREE (3) WRITTEN QUOTES which can be accomplished by the customer department or may be completed by the Purchasing Department via a Request for Quotation (RFQ). The Purchasing page on the Bulletin Board has an RFQ template for departments to use for the purpose of obtaining quotes:

Note: Unless not required based upon the Federal funding type, or Federal funding source, if any portion of the purchase is Federally funded, **Purchasing** must perform a Request for Quotation on behalf of the customer department, as there are specific procurement rules which must be followed, per 2 CFR Pt. 200.318-200.326 (reference H).

a. At least three (3) written quotes from three (3) separate and unaffiliated vendors, should be sought and documented to foster fair and open competition. When obtaining quotes for a temporary employee from a Temporary Employment Agency, resumes/contracts for three (3) individuals, either from the same Temporary Employment Agency or from multiple agencies, will be sufficient for spend up to $50,000 in any 12-month period on one (1) temporary employee. This process shall be followed for each individual temporary employee selected. Should you need to spend more than $50,000 on one (1) temporary employee within a 12-month period, contact the County Manager to discuss how to proceed.

Each quote should include the following;

1) Name of vendor
2) Quotation number
3) Vendor representative providing the quotation
4) Vendor's telephone number
5) Name of Larimer County representative who requested quotation
6) Delivery and Freight-on-Board (FOB) information

b. If the customer department elects to seek three (3) written quotes, they are responsible for obtaining insurance requirements from the Risk Management Department and providing those to all vendors with their request for a quotation.

c. Quotes should be for "like" items (same OR comparable make, model, etc.)

d. If the customer department chooses to award to a vendor that provided a quote which is not the lowest in price, they shall provide a detailed, reasonable explanation of the valid business reasons why (see V.C. for additional clarification on evaluating these factors). It is up to the discretion of the Purchasing Director to determine if the reasons are sufficient or if more information is needed.

e. If more than $50,000 is spent for same or similar goods and/or services, either to the same or separate vendor, in a 12-month period, a formal solicitation (Bid, RFP) will need to be completed for future similar purchases.

2. FORMAL SOLICITATIONS ($50,000.01 or greater; Bid, RFP)
"Formal Solicitations" are transactions for goods and/or services with a **total dollar value of $50,000.01 or more during a 12-month period. These purchases must be processed through the Purchasing Department** as either an Invitation to Bid (ITB, Bid), or a Request for Proposal (RFP, Proposal). Requests for Information (RFI) are also detailed in this section.

All Formal Solicitations shall specifically target DBE/SBA vendors unless otherwise authorized by the Purchasing Director or County Manager.

a. *Invitation to Bid (Bid)*:
   1) Shall be publicly advertised for a minimum of 14 days (unless otherwise authorized by the Purchasing Director).
   2) Shall be publicly opened (per C.R.S. §24-103-202(4)) (reference A) and read aloud in the presence of one or more witnesses.
   3) Shall be evaluated upon the required specifications and qualifications.
   4) Shall be awarded on the basis of the most responsive, responsible, reasonable, and lowest-priced bid that is deemed most advantageous to the County, meeting all specifications and qualifications identified in the Bid. See

Section V, C, "Evaluation of Responses" for additional clarification on evaluating these factors.

b. *Request for Proposal (RFP), also known as a "Proposal"*:
   1) Shall be publicly advertised for a minimum of four (4) weeks (unless otherwise authorized in writing by the Purchasing Director).
   2) Shall be evaluated by an Evaluation Committee (as selected by the customer department) based on the Evaluation Criteria provided in the RFP.
   3) Shall be awarded to the most responsible, responsive, reasonable proposal, deemed the best value, best fit, and most advantageous to Larimer County. See Section V, C, "Evaluation of Responses" for additional clarification on evaluating these factors.

c. *Request for Information (RFI)*:
   1) Shall be publicly advertised for a minimum of three (3) weeks (unless otherwise authorized by the Purchasing Director).
   2) Shall be used **only to obtain information** regarding products or services.
   3) No award may be made as a result of an RFI.
   4) Information obtained through an RFI may assist Larimer County in finalizing a scope of work and requirements which may be used at a future date in the issuance of a Request for Proposal.
   5) Pricing shall be requested as part of this type of solicitation for future budgeting purposes.

d. It is not the desire of Larimer County to penalize vendors who make obvious unintentional errors in bidding or proposing. In such cases, the vendor shall be required to explain the nature of the error and request that his/her bid or proposal be withdrawn after bids have been opened, or proposals have been closed. Such bids or proposals may, with the approval of the Purchasing Director, be so withdrawn.

e. If bids received are for the same total amount or unit price, quality and service being equal, the County will resolve the low-tied bids in a manner which in the County's judgment is in its best interest, including negotiating with such tie vendors for a reduction of price.

f. If a customer department feels it is **not** in the County's best interest to award a purchase for over $50,000 to the low-bid vendor, a complete statement of their reasons must be incorporated in their recommendation to the Purchasing Department. That recommendation will then be forwarded by the Purchasing Department to the County Manager for written approval before a Purchase Order will be issued.

C. EVALUATION OF RESPONSES

In determining the most responsive, responsible, and reasonable lowest Quote, Bid, or Proposal deemed most advantageous to Larimer County, the following should be considered in addition to price:

1. The ability of the vendor to perform the Contract or provide the goods and/or services within the time specified.
2. The reputation, experience and efficiency of the vendor.
3. The comparative quality of the goods and services bid or proposed.
4. The vendor's past performance in compliance with laws and ordinances relating to the vendor's service.
5. The sufficiency of the financial resources of the vendor to perform the Contract or provide the goods and services.
6. The quality, availability and adaptability of the goods and services to the particular use required.
7. The ability of the vendor to provide future maintenance and service.
8. The number and scope of conditions attached to the bid or proposal.
9. The quality of vendor's performance on previous Contracts.

VI. DEVELOPING SPECIFICATIONS FOR A QUOTE, BID OR RFP:

It is the responsibility of the customer department, with assistance from, and review by, the Purchasing Department, to develop proper specifications for all goods and services. Specifications shall be prepared in sufficient detail to permit free and open competition and to secure bids on goods and services equal to, or in the same or better class. If a specific brand is deemed necessary by a customer department, the customer department must provide an explanation of why other brands are not acceptable; this information will be published in the solicitation. If it is important or necessary that a vendor be licensed or certified within the State of Colorado (i.e. construction, some professional services) this should be requested as part of the solicitation response and checked to ensure the vendor meets the requirements. Collaborating with any vendor(s) to develop specifications for a solicitation is not best practice and should be done with caution so as to not provide vendors with an unfair advantage. Vendors must be both paid for their services and their involvement identified in the solicitation if they assisted in developing the specifications of a solicitation; further, any vendor assisting in the development of specifications for a solicitation funded federally in any part, whether paid or unpaid, will result in said vendor(s) not being allowed to bid or propose on the solicitation (reference H).

VII. BOND REQUIREMENTS:

For construction, erection, repair, maintenance, or improvement of any building, road, bridge viaduct, tunnel, excavation, or other Public Works Contract or subcontract exceeding $50,000, the following bonds are required (C.R.S. §§ 38-26-105 and 38-26-106 (reference L); 2 CFR §200.325 (reference H)).

A. Bid Bonds, or other acceptable surety, in the amount of 5 percent of the total bid price must accompany the vendor's bid.
B. Payment and Performance Bonds in the amount of 100 percent of the Award Vendor's Contract price shall be supplied prior to any work beginning.

VIII. CONTRACTS:

A formal written Contract is required for all purchases of services exceeding $50,000, unless waived by the Purchasing Director. The Purchasing Department's Contract Specialist, working in conjunction with the County Attorney's Office, shall complete Contracts for solicitations completed in Purchasing, and can complete, or assist with, Contract amendments and extensions on behalf of the customer department Contract Administrator upon request.

IX. CONFLICT OF INTEREST:

No employee, officer or agent (E/O/A) operating on behalf of the County shall participate in the selection, award, and/or administration of a Contract if a Conflict of Interest with regards to tangible personal benefit, real or reputed, would be involved (references F and). In addition to an E/O/A, this further includes his/her spouse/partner, and family members.

A. It is a violation of this Policy for any person identified above to;
    1. Sell goods and/or services, regardless of the amount, to any customer department without participating in a competitive quote process solicited by the County.
    2. Knowingly misrepresent a vendor's prices, quality or services to obtain concessions.
    3. Participate in the evaluation or recommendation of a solicitation process if the person holds an interest in any business or undertaking which may be directly and substantially affected to its' economic benefit by an official action to be taken by that committee.
    4. Assist a vendor in:
        a. preparing their response to a Bid, RFP, Quote, or Statement of Qualifications, or
        b. to share procurement-sensitive information, related to a competitive procurement, with vendors without providing it to all vendors through an addendum process. Procurement-sensitive information includes, but is not limited to, Requirements, Specifications, Statements of Work, or Evaluation Criteria.
    5. Participate in the evaluation or recommendation of a solicitation process if a vendor would be perceived as having an unfair advantage because of activities or relationships with a member of the evaluation team or decision-maker.
    6. Fail to adhere to the Larimer County Code of Conduct, found in Human Resources' Policy 331.4 (Reference F).
B. A Conflict of Interest Disclosure Form (enclosure 3) shall be completed by an E/O/A involved in vendor selection through solicitations completed by the Purchasing

Department, as applicable, and may include, but is not limited to; the Purchasing Agent, customer department representatives, and Evaluation Committee members.

X. WAIVERS of the PURCHASING PROCESS:

There are occasions in which customer departments may request a waiver of the purchasing process, described below. A Purchase Order (enclosure 1), approved insurance and a Contract if for services greater than $50,000, are required for all waivers of the purchasing process.

Note: Unless an alternate period of time is identified in the waiver approval, a waiver may be used once.

A. QUOTE WAIVER (for goods or services ranging between $5,000.01 - $50,000)

A waiver of the Informal (quotation) process ($5,000.01 - $50,000, three (3) quotes), which may be requested by the customer department when they have compelling reasons. Such a request must be requested in writing (email Purchasing Waiver Request Form, enclosure 4) of the Purchasing Director, and must include all details of the requested purchase, including a scope of work / pricing document (quotation, proposal) from the vendor for which the waiver is sought, and a thorough fact-based explanation as to why the Purchasing Director should consider waiving the Informal Solicitation process. If approval is obtained, both the customer department's written request via a Purchasing Waiver Request Form (enclosure 4), including any referenced documents and the Purchasing Director's approval, must be attached to the Requisition (enclosure 2) for a Purchase Order (enclosure 1).

B. BID WAIVER (for goods or services $50,000.01 or greater)

A waiver of the Formal Solicitation process ($50,000.01 or greater, Bids and RFPs) may be requested by the customer department when they have compelling reasons. Such a request must be made in writing (email Purchasing Waiver Request Form, enclosure 4)) of the County Manager, and must include all details of the requested purchase, including a scope of work / pricing document (quotation, proposal) from the vendor for which a waiver is sought, and a thorough fact-based explanation as to why the County Manager should consider waiving the Formal Solicitation process. If approval is obtained, both the customer department's written request via a Purchasing Waiver Request Form (enclosure 4), including any referenced documents and the County Manager's approval, must be attached to the Requisition (enclosure 2) for a Purchase Order (enclosure 1).

C. SOLE SOURCE (greater than $5,000)

A waiver of the Informal or Formal Solicitation process (quotes, bids and RFPs, anything greater than $5,000) in the form of a Sole Source may be requested by the customer department **when there is only one vendor able to provide the good or service**. Such a request must be requested of the County Manager, in writing (email Purchasing Waiver Request Form, enclosure 4) and must include all details of the requested purchase, including a scope of work / pricing document (quotation,

proposal) from the vendor for which a Sole Source is sought, documentation of Sole Source justification including a thorough explanation and documentation detailing the nature and proof of the Sole Source. If approval is obtained, both the customer department's written request via a Purchasing Waiver Request Form (enclosure 4), including any referenced documents and the County Manager's approval, must be attached to the Requisition (enclosure 2) for a Purchase Order (enclosure 1).

XI. INSURANCE REQUIREMENTS:

No work shall commence on any County project until all such proof of insurance has been approved by the Risk Management Department (reference E). Successful vendors with insurance requirements to meet will submit evidence of, and have approved, insurance documents in writing to the attention of the Risk Management Department prior to any work beginning. The Contract Administrator will ensure it remains current for the duration of the project. Types and levels of insurance coverage are necessitated by the size and scope of the project being bid, changes to relevant laws, etc., and are set by the Risk Management Department. Per the Risk Management Department's Certificate of Insurance Policy (reference E), if the vendor's required insurance lapses or if it is canceled, **they will not be allowed to continue the work until the insurance has been reinstated** and proof of such is furnished to, and approved by, Risk Management.

XII. LOCAL PREFERENCE:

Local Preference does not apply to, and **may not** be considered in the award of solicitations for Federal projects or when Federal funds are involved.

A. FOR PURCHASES $50,000 OR LESS
Customer departments may use their discretion in deciding if the written quote should be awarded to the Larimer County vendor in cases when the Larimer County vendor is within 5% of the low vendor.

B. FOR PURCHASES $50,000.01 OR GREATER

The customer department may request the Board of County Commissioners award the solicitation to the Larimer County vendor in cases where the Larimer County vendor's price is within 5% of the low vendor. If, in the sole judgment of the Board of County Commissioners, the bids or proposals are substantially equal, the Board may grant the award to companies located in Larimer County.

XIII. DEBARRED or SUSPENDED VENDORS:

The County will not award a solicitation to a vendor that has been federally debarred. Such debarment shall be checked by Purchasing through the System for Award Management, at www.sam.gov.

XIV. EQUIPMENT LEASING AND/OR LEASE PURCHASES:

Any lease or lease-to-purchase Contract must follow Policy 100.2, Signature Authority for County Documents (reference I).

XV. WITHHOLDING PAYMENT:

The County may withhold payment from a vendor to cover the items listed below. The County shall have the right to apply any amounts so withheld in such manner as the County may deem proper to satisfy such claims. Application of such money shall be deemed payments for the account of the vendor.

A. Just claims of any persons supplying goods or services to the vendor or any of his or her subcontractors for the work, due and unpaid.

B. Loss due to defective work not remedied.

C. Liability, damage, or loss due to injury to persons or damages to the work or property of other contractors, subcontractors, or others, caused by the negligence or more culpable conduct of the vendor or any of his or her subcontractors.

D. Any other similar claim.

XVI. CONSIDERATION OF COMMUNITY/NATURAL RESOURCE IMPACTS:

Larimer County supports and encourages an awareness among customer departments for the evaluation of cost versus natural resource impacts/community benefit in the purchasing process. The following guidelines are recommended for customer departments to consider when assessing the community benefit and natural resource impacts of goods or services:

- Maximization of recycled products used in product or service life cycle
- Environmental cost of entire product or service life cycle
- Reuse of existing products or materials in product or service life cycle
- Recyclability of product
- Minimization of packaging
- Reduction of energy/water consumption
- Toxicity reduction or elimination
- Elimination of uncertified hardwoods in product or service life cycle
- Durability and maintenance requirements
- Ultimate disposal of the product

Customer departments are encouraged to consider established environmental standards when selecting products and services such as “Energy Star,” “Leadership in Energy and Environmental Design” (LEED) building principals, and “Safer Choice” labeling. The United States Environmental Protection Agency (EPA) web site (epa.gov/greenerproducts) provides a guide to these standards as well as many environmental purchasing resources.

The County, at its’ option, may include specifications in solicitations and/or in the selection criteria for goods and services which support the consideration of community benefit and/or natural resource impacts versus cost.

XVII. PIGGYBACKING & COOPERATIVE PURCHASING:

This section details the use of piggybacking and cooperative purchasing.

A. PIGGYBACKING

Piggybacking is defined as a form of intergovernmental cooperative purchasing in which a governmental entity has completed a solicitation (RFQ, ITB, RFP) with a competitive process similar to Larimer County's, and identifies that the same pricing and terms of Contract may be extended to other governmental entities. If agreeable to the originating governmental entity (either identified in their solicitation or obtained in writing from their Purchasing Director/Manager) and the award vendor, another governmental entity may use the **same** pricing and Contract terms.

Example: X City completes an Invitation to Bid for Coffee Services, and X Department of Larimer County has the same need. Instead of a completing a solicitation, Larimer County may elect to piggyback off X City's solicitation and contract directly with the vendor, providing all necessary documentation is obtained (see below).

1. The County may piggyback on another governmental entity's competitively-procured solicitation to obtain goods or services, providing the following requirements are met:
   a. Proof of competitive procurement
   b. Agreement from both the governmental entity and the vendor to piggyback
   c. Vendor agrees to provide Larimer County the pricing they originally bid
   d. More than one (1) vendor responded to the solicitation
   e. Contract / Contract Renewal occurred within the last 12 months
   f. Award vendor agrees to meet our insurance requirements
   g. If any portion of the Larimer County purchase is Federally-funded, or if your purchase is funded by any other type of grant, contact the Purchasing Department first, as it may not be allowable to piggyback.
2. Other governmental entities may piggyback on Larimer County solicitations to acquire goods and services, providing the following requirements are met:
   a. The Purchasing Director agrees; either as identified by the presence of piggyback/cooperative language in the solicitation, or obtained in writing from the Purchasing Director;
   b. The governmental agency shall deal directly with any vendor concerning the placement of Purchase Orders, freight charges, contracting and disputes, invoicing, and payment; and
   c. The County shall not be held liable or responsible for any liability, claims, costs, damages, demands, actions, losses, judgments or expenses incurred by the vendor or any government entity relating to such use.

B. COOPERATIVE PURCHASING

Cooperative Purchasing is defined as a Formal Procurement conducted by a government Purchasing Cooperative on behalf of a governmental group with a common need, to aggregate demand and obtain lower prices. Some Cooperatives cater only to specific

forms of government, such as school districts or local government, so the Cooperative's regulations must be reviewed thoroughly to ensure a County can utilize the Contract. In general, counties, municipalities, schools, colleges and universities in the majority of states can sign an agreement with the Purchasing Cooperative that allows them to legally use the Cooperative's Contracts. If any portion of the Larimer County purchase is Federally-funded, or if your purchase is funded by any other type of grant, contact the Purchasing Department first, as it may not be allowable to use a cooperative.

Some examples of Cooperatives the County has used include, but are not limited to:

- NASPO/ValuePoint (National Association of State Procurement Officials)
- OMNIA (formerly US Communities)
- The Interlocal Purchasing System
- National IPA
- Sourcewell (formerly National Joint Powers Alliance)
- National Purchasing Partners (NPP)
- Houston-Galveston Area Council (HGAC)
- National Cooperative Purchasing Alliance (NCPA)
- Purchasing Association of Cooperative Entities (PACE)

The County may use Cooperative Purchasing Contracts at the discretion of the Purchasing Director.

XVIII. VENDOR PROTEST POLICY:

Vendors shall adhere to the following when filing a protest:

A. WHEN TO FILE

After award, protests are to be submitted in writing (via email, U.S. Mail or courier) and received by the Purchasing Director, 200 West Oak Street, Suite 4000, P.O. Box 1190, Fort Collins, CO 80522 within **fifteen (15) working days after notification of award has been published on Larimer County Purchasing's Bids and Proposals web site, at www.larimer.org/bids.**

Protests based upon restrictive specifications or alleged improprieties in any type of solicitation, which are apparent prior to bid opening, or closing date for receipt of proposals, should be **filed no later than three (3) working days prior to bid opening date or proposal closing date**.

B. PROCESS

The protest must include, at a minimum, the following:

1. The name and address of the protestor
2. Appropriate identification of the procurement by Bid or Proposal number
3. A statement of the reasons for the protest
4. Any available exhibits, evidence or documents substantiating the protest

C. DECISION

The Purchasing Director shall make a decision, in writing, on a protest within seven (7) working days after receiving all relevant, requested information. This decision shall be based on, and limited to, a review of the issues raised by the aggrieved vendor and shall set forth each factor taken into account in reaching the decision. The decision of the Purchasing Director is final.

D. WITHHOLDING OF AWARD

When a protest has been filed before award, the County will not make an award prior to the resolution of the protest. When a protest has been filed before the opening of bids or closing of request for proposals, the County will put the solicitation on hold prior to the resolution of the protest, unless the County determines that:

1. The items to be procured are urgently required; or
2. Delivery or performance will be unduly delayed by failure to make the award promptly; or
3. Failure to make prompt award will otherwise cause undue harm to the County.

XIX. GRANTS:

All grants have procurement guidelines which must be followed (reference J). Customer departments shall provide all grant documents to the Director of Purchasing when requesting a solicitation for goods or services so these procurement regulations may be met.

A. FEDERAL GRANTS (applicable to Federally-funded projects, including, but not limited to, FEMA)

When Federal dollars are used, the following items apply. Note: this is an overview of the regulations, the governing document (reference H) should be read for a thorough understanding.

1. Sealed Bids / Invitations to Bid (Award based on lowest bid meeting all specifications and qualifications):
   a. Must result in a firm fixed price Contract (lump sum or unit price).
2. Requests for Proposal (Contract must be awarded to the responsible firm whose proposal is most advantageous to the program; price and other factors considered):
   a. For Architect/Engineer (A/E) professional services (only), price is not used as a selection factor.
3. Sole Source (Used when one or more of the following apply):
   a. Item available from only one source.
   b. The emergency (involving a threat to life, public health or safety, improved property, and/or some other form of dangerous situation) will not permit a delay resulting from a competitive procurement.
   c. The Federal awarding agency or pass-through entity (the State) expressly authorizes use of sole source, in response to a request made by the non-Federal entity.
   d. After soliciting a number of sources, competition is determined inadequate.

4. Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms must be sought with these six (6) affirmative steps:
   a. Place these vendors on solicitation lists.
   b. Assure these vendors are solicited whenever they are potential sources.
   c. Divide total requirements, when economically feasible, into smaller tasks or quantities.
   d. Establish delivery schedules, where the requirement permits, which encourage participation by these groups.
   e. Use services and assistance, as appropriate, of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
   f. Require the prime contractor, if subcontracts to be let, to take the same affirmative steps listed above in a-e.
5. Other Important Information:
   a. Avoid time and materials Contract UNLESS no other Contract is suitable AND the Contract includes a Not-to-Exceed (NTE) price that the contractor exceeds at its' own risk.
   b. Vendors that develop or draft specifications, requirements, statements of work, and Invitations to Bid or Requests for Proposal **MUST** be excluded from competing for award.
   c. Invitations to Bid **MUST** have a minimum of two responses.
   d. Avoid acquisition of unnecessary or duplicative items.
   e. Use value-engineering clauses in Contracts to offer opportunities for cost reductions.
   f. A cost or price analysis must be performed in connection with every procurement above the Simplified Acquisition Threshold, or $250,000.00. These independent estimates must be performed prior to receiving bids or proposals and be included in the file.

B. CDBG-DR: Community Development Block Grant – Disaster Recovery
   1. All Contracts for construction, alteration, rehabilitation, or repair funded **IN WHOLE** or **IN PART** with State CDBG funds, including grants passed through to private firms, are subject to Federal Labor standards.
   2. CDBG-DR procurements must follow the Federal guidelines (2 CFR, part 200 (reference H)) as detailed in the previous section and must also specifically include Section 3 Self Certification.

XX. DISASTER-RELATED PROCUREMENT:

While many of the items under "Federal Grants" in section XIX above, apply in the event of a disaster, information regarding procurement in the case of a Locally-or-Federally-declared disaster is contained in both the Larimer County Comprehensive Emergency Management Plan (reference G), in the section entitled, "Public Assistance Program & Financial Management Annex", and in the Disaster Policy (reference K).

XXI. REQUISITIONS and PURCHASE ORDERS:

This section outlines Requisitions and Purchase Orders.

A. REQUISITION for a STANDARD PURCHASE ORDER: The Requisition (enclosure 2) is the basic document authorizing the initiation of the Purchase Order process. A Requisition is generally electronically submitted to the Purchasing Department through the financial system, and once approved, is routed to the Purchasing Department to request the Purchase Order, however, may be completed on the paper form identified above. The Requisition is used to inform the Purchasing Department of the needs of the customer department, and to correctly identify the requirements. It shall be the responsibility of the customer department to code all Requisitions correctly to charge goods and services to the account most adequately describing the purchase. For specific information regarding supporting documents to be provided with a Requisition, see the Purchasing web page located on the Bulletin Board.

B. REQUISITION for a CONTRACT (BLANKET) PURCHASE ORDER: Contract Purchase Orders are for a set period of time and a maximum total dollar amount, but do not identify quantities or expense accounts. These types of Purchase Orders put the County at risk, are frowned upon by Auditors, and are rarely used. Contract Purchase Order requests must be submitted on a paper Requisition form for a Purchase Order to be issued, and must contain the following information:
   - Vendor name and address
   - Detailed description of goods or services
   - Length of the blanket (i.e. effective dates)
   - Bill-to customer department name
   - Authorized Signature
   - Thorough explanation of why only a Contract Purchase Order will suffice

   1. Circumstances in which a Contract Purchase Order would be advantageous include:
      a. Instances where many expense accounts will be used to pay the vendor and it would cause the data input for a Standard Purchase Order to be very labor intensive.
      b. Circumstances where purchases do not need to be encumbered.
   2. Contract Purchase Orders are rarely issued, and may be issued in accordance with the following:
      a. The Contract Purchase Order may be considered either as a recommendation from the Purchasing Department or from the customer department but may only be used if authorized by the Purchasing Director.
      b. Contract Purchase Orders may be rescinded by the Purchasing Director in cases where the customer department does not remain accountable, is not actively monitoring payments made, and/or pays over the amount written on the face of the document without requesting a Change Order to add funds first.
      c. Capital Outlay (also known as Fixed Assets), **may not** be purchased on a Contract Purchase Order. Capital Outlay includes Personal Property and Real Property that has a useful life greater than one year and costs $5,000.00 or more per

item. Capital outlay is charged to the 55000 accounts and is included in the County's capital outlay (reference B).

C. PURCHASE ORDERS: Purchase Orders (enclosure 1) shall be issued only by the Purchasing Department upon receipt of an approved Requisition and after approval of the purchase by the Purchasing Director. The financial system encumbers funds on standard Purchase Orders when Purchasing approves it in the financial system.

1. The Purchase Order is a payment mechanism, and the vendor's authority to deliver and charge for the goods and services specified in the order. It is the County's commitment for the value of the goods and services ordered. It is essentially a legal document. When the Purchase Order is written as an acceptance of a bid, quotation or offer, a contractual relation is established upon its issuance. Where there is no proposal from the seller, or if the vendor has made an offer under different conditions, the Purchase Order itself is an offer of contractual relation, which is completed by an acknowledgment or acceptance by the vendor.
2. A Purchase Order will not be issued without certificates of insurance approved by Risk Management, unless it is deemed that insurance is not necessary, in writing, by Risk Management.
3. Customer departments should not allow payment for more than 5% over the total Purchase Order dollar amount without obtaining a change order.
4. Purchase Orders are individually numbered and printed in the Purchasing Department.
5. The Purchasing Department will automatically email (or mail) the Purchase Order to the Vendor unless a customer department requests alternate handling.
6. A copy of the Purchase Order will be sent to the customer department.
7. A copy of the Purchase Order will be kept on file in the Purchasing Department.

D. PURCHASING EXCEPTIONS THAT REQUIRE A PURCHASE ORDER: These are purchases which are specifically exempt from Quote/Bid/RFP requirements, but which still require a Purchase Order, including:

1. EMERGENCY PURCHASES: **Emergency purchases** shall be honored by the Purchasing Director, after-the-fact, when there is an emergency need. An emergency purchase shall be **defined as any purchase which is necessary to secure a threat to life, public health or safety, improved property, or general welfare of Larimer County citizens**. Such purchase may be made by the Purchasing Authority, as necessary, and a Requisition (enclosure 2) shall be submitted to the Purchasing Department marked 'Emergency Purchase' on the next regular working day. The 'Emergency Purchase Requisition' (electronic or paper) must include all details surrounding the emergency, including:
    a. Location of emergency
    b. What occurred
    c. What makes the occurrence an emergency

d. What is the threat to live, public health or safety, improved property or general welfare of Larimer County citizens
e. What can/will happen if immediate steps are not taken

The Purchasing Department shall give immediate attention to such Requisition and process it without delay. Emergency purchases shall be limited only to a quantity of those goods and services items necessary to meet the emergency.

2. PURCHASE OF MEDICINES AND SUPPLIES: The Director of the Health Department may **purchase medicines and supplies** for direct redistribution to the general public. In circumstances where criteria other than price are considered paramount; i.e. safety and quality; the purchase may, with the concurrence of the Purchasing Director, be exempt from the quote and bid Policy and Procedure.
3. QUOTE WAIVER, BID WAIVER, and SOLE SOURCE PURCHASES: If a Quote Waiver, Bid Waiver or Sole Source has been obtained by the customer department for a purchase, a Requisition for a Purchase Order will need to be input, **prior to the purchase**, to track the Waiver and follow the purchasing process.

E. PURCHASES MADE OUTSIDE POLICY

1. If a customer department has made a purchase that does not adhere to this Policy, the person who completed the purchase shall send an **email to the Purchasing Director, their supervisor, and their department Director**, detailing the following information, and requesting that the Purchasing Director allow payment outside the Policy:
    - Explain in detail what occurred, why the Policy was not followed, and by whom
    - Explain in detail what steps will be taken to ensure this Policy will be adhered to in future by the employee
2. Purchasing will not issue confirming Purchase Orders for goods and services already received. The Purchasing Director may authorize Accounts Payable to process the vendor invoice after reviewing the documentation provided by the customer department and will work with the customer department to help them adhere to this Policy in future.

XXII. PURCHASE ORDER EXCEPTIONS LIST

The following items **DO NOT** require either a Solicitation or a Purchase Order but may be batched for payment directly by selecting the appropriate Purchase Order Exception (below) in the financial system. NOTE: Insurance is nearly always needed – contact Risk Management before you engage a vendor for any service to determine if insurance is necessary.

- Art for display on walls in County buildings (except commissioned art)
- Attorney services
- Bond payments (related to issuance, maintenance and debt service payments)
- Books and reference materials

- Doctor and veterinary fees, and related prescriptions
- Entertainment and activity Contracts for the implementation of events at The Ranch (rodeo, concerts, entertainers, etc.)
- EOC Personnel (EM)
- Escrow payments
- Grants awarded by Larimer County
- Human Services Contracts (client-related services only)
- Insurance claims, such as property damage claims (not premiums)
- Inter-government/non-profit agreements (copy of the **signed agreement** must be attached to the invoice submitted to the Accounts Payable Department)
- Land Purchases, water right purchases, rights-of-way & easements, excluding building improvement
- Marketing and advertising at The Ranch
- Membership dues
- Mileage and meal allowances, employee travel and lodging expenses
- On the Job Training payments and refunds, including employment contractors and related day care
- Original Equipment Manufacturer (OEM) Parts and/or OEM Services for Fleet Department vehicles and equipment where a single source regionally exists
- Pharmaceuticals purchased under 340B Drug Discount Program (Health)
- Postage (including meters) and stamped envelopes
- Public utilities (purchases made on a regular, recurring billing cycle for any and all public utilities)
- Refund for transportation fee
- Rent payments for real property only
- Restitution Payments
- Seminars and training (any seminars, training & trainers)
- Software maintenance, and continuation of Software-as-a-Service (SAAS) Contracts
- Subscriptions (i.e., magazine and newspaper subscriptions)
- Therapists paid with Correctional Treatment Funds (ASD, ComCorr)
- Tuition reimbursements
- Utilities (gas, electric and water) repairs and installations, as well as Public Utilities (purchases made on a regular, recurring billing cycle for any and all public utilities)
- Vendor-Specific Original Equipment Manufacturer (OEM) Server-based Hardware Maintenance (IT)

XXIII. YEAR-END INFORMATION

Below is information regarding year-end appropriations and encumbrances:

A. All appropriations lapse at the end of each fiscal year. Goods or services ordered in one year but not delivered until the following year **cannot** be paid for out of prior year funds. The related appropriation should be transferred to the next fiscal year.

B. Encumbrances outstanding on the last day of a fiscal year may be liquidated in the closing period of that fiscal year (January) **ONLY IF** goods or services were received by December 31st.

C. All Purchase Orders outstanding at the end of December should be reviewed by customer departments to determine which, if any, should be closed. Customer departments shall email the Director of Purchasing and request your Purchase Order be closed. Once a Purchase Order has been closed, it cannot be reopened.

XXIV. RECORDS RETENTION

All Purchase Orders, and Informal and Formal Solicitations for goods and services of any kind purchased by the County shall be kept on file at the office of the Purchasing Director or County Archives, per the County's Records Retention Schedule.

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Tom Donnelly
Chair, Board of County Commissioners
(Approved by BCC – Consent Agenda – 09/10/2019)
(Signature on original filed in Records Management)

Carol L. Block, CPA
Director of Financial Services

Heather MacMillan, CPPB, M.Ed
Purchasing Director
(Signature on original filed in Records Management)

Distribution:
All Elected Officials and County Departments
Records Management SOP Manual (original)

HM/vl