

**BOARD OF COUNTY COMMISSIONERS OF
HINSDALE COUNTY, COLORADO**

**A RESOLUTION REPEALING AND REPLACING HINSDALE COUNTY
PURCHASING AND PROCUREMENT POLICY**

Resolution No. 17, Series 2024

WHEREAS, Hinsdale County, by and through its Board of County Commissioners ("Board") has authority to manage its operations by establishing policies; and

WHEREAS, it is the Board's goal to establish policies and procedures directing the purchasing activities of Hinsdale County in accordance with Colorado law; and

WHEREAS, Hinsdale County has previously adopted the Hinsdale County Purchasing Policy and Procedure Manual on January 22, 2019 and revised the policy on October 16, 2019; and

WHEREAS, the Hinsdale County Purchasing and Procurement Policy referenced above along with any previous purchasing policies shall be repealed hereby and replaced by a new Hinsdale County Purchasing and Procurement Policy, a copy of which is attached hereto and incorporated herein by this reference, along with any other policies.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of Hinsdale County, Colorado, pursuant to the authority vested in them by law, to hereby repeal the previous Hinsdale County Purchasing Policy and Procedure Manual, effective immediately, and replace it with the new Hinsdale County Purchasing and Procurement Policy, which is attached hereto and incorporated herein by this reference:

INTRODUCED by Commissioner Robert Hurd, seconded by
Commissioner Greg Levine, and adopted on this 31st day of July, 2024.

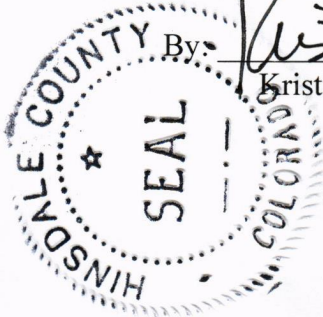
BOARD OF COUNTY COMMISSIONERS
OF HINSDALE COUNTY, COLORADO

By: Kristie Borchers
Kristie Borchers, Chairperson

ATTEST:

Joan Roberts

Joan Roberts, Hinsdale County Clerk



HINSDALE COUNTY PURCHASING AND PROCUREMENT POLICY

I. INTRODUCTION

Purpose

This policy is designed to provide the procedures and guidelines necessary to direct the purchasing activities of Hinsdale County. The purpose is to help each Elected Official/Department Head to be aware of their fiscal responsibilities and aid them in spending County funds using modern business and accounting practices.

The design of the policy is to:

1. Comply with applicable requirements of Colorado law.
2. Provide the facilities for free and full competition in the purchasing program for Hinsdale County and, at the same time, assure all departments of quality products and reasonably prompt delivery at the best possible prices.
3. Provide a modern comprehensive and decentralized purchasing program encompassing accepted principles and practices.
4. Provide a uniform procedure for the procurement of material, equipment, supplies and services.
5. Notwithstanding anything in this Policy to the contrary, Hinsdale County shall not accept any bid or make a purchase of any books, stationery, records, printing, lithographing, or other supplies for any County officer, from any person, company, or corporation having its manufactory or principal place of business outside the state of Colorado, when the same can be procured from some person, company, or corporation having its manufactory or principal place of business within this state and at a net cost which shall not exceed the amount for which such books, stationery, records, printing, lithographing, or other supplies can be procured and delivered to them by any person, company, or corporation having its manufactory or principal place of business without the state.
6. Notwithstanding anything in this Policy to the contrary, the applicable purchasing agent for the County is authorized to purchase products or materials with recycled content that have been source-reduced, that are reusable, or that have been composted, unless one or more of the following conditions exist:
 - a) The product is not available within a reasonable period of time;
 - b) The product fails to meet applicable purchasing rules, including specifications; or
 - c) The product fails to meet federal or state health or safety standards, as set forth in federal or state regulations.

Federally Funded Projects

The handling of federally funded projects shall be within the laws, rules and regulations as promulgated by the United States Government.

Sherman Anti-Trust Act

The Sherman Anti-Trust Act governs Hinsdale County and its Board of County Commissioners in its purchasing practices, except when the project is under the direction of the State of Colorado.

This Policy shall be in effect until amended by the Board of County Commissioners.

II. PURCHASING AUTHORIZATION LEVELS

1. Purchases requiring expenditure of less than \$1,000 of County funds are negligible and may be made by an Elected Official or Department Head at any time for any lawful business purpose without advance approval, provided said amount was budgeted for. Purchases that require expenditure of funds in excess of \$1,000 that have not been budgeted and appropriated for the calendar year in which the expenditure will be made must be approved in advance by the Board of County Commissioners in a public meeting and the County budget shall be amended accordingly.
2. Purchases that require expenditure of \$10,000 or less of budgeted funds for operating supplies, services, and capital equipment, construction materials or capital improvement projects, require approval in advance by the appropriate Elected Official or Department Director.
3. Purchases that require expenditure of \$20,000 or less of budgeted funds require approval in advance by the County Administrator or Road and Bridge Supervisor. Purchases of more than \$20,000 of budgeted funds require approval in advance by the Board of County Commissioners at a public meeting.
4. All purchases must comply with Hinsdale County's competitive bidding requirements, if applicable.

III. INFORMAL BID POLICY AND PROCEDURE

Definition:

Informal Bids are required as may be provided in this Policy to assure that the County receives fair and equitable pricing through competitive bidding by at least three vendors, if possible.

Policy:

The Hinsdale County Board of County Commissioners hereby provides County Elected Officials and Department Heads with the authority to generate Contracts (see the County Contract Administration

Revised and readopted by the Hinsdale County Board of County Commissioners on July 31, 2024.

Policy), or to make purchases on the County's behalf in accordance with the limits set forth herein and as otherwise included in the applicable Department's budget.

Exceptions to the Policy:

The Hinsdale County Board of County Commissioners does not require a Formal or Informal bid proposal or process under the following circumstances:

- When the item(s) or service(s) was formally awarded to a vendor by the State of Colorado, the State Multiple Assembly of Procurement Officials (MAPO), or other cooperative purchasing group, and the product meets the needs of the County.
- When the item or service should be sole sourced because the product or service is of a unique or professional nature or allows for standardization with existing equipment and will provide value to the County.
- For emergency purchases where the well-being of the citizens, employees or County property may be endangered if the purchase is delayed.

Procedure for Purchases of Supplies and Equipment:

1. If purchase is for less than \$5,000, no bid is necessary.
2. If purchase is between \$5,000 and \$10,000, informal bidding is required, but no publication for bids is necessary.
3. If purchase is greater than \$10,000, an invitation to bid, also known as a request for proposal(s) (RFP) is required pursuant to Section IV below.
4. In the case of an informal bid, the authorized purchasing department shall:
 - 4.1 Obtain at least three competitive bids, if possible, from different vendors by:
 - 4.2.3 E-mail quotation or
 - 4.2.4 Mail quotation; and
 - 4.2 Determine which vendor shall be awarded the bid in conjunction with the requesting Department. If there were less than three competitive bids, this shall not defeat the process, and the County Officer, Department Head, or employee, as is applicable, may pick a vendor at their discretion.

IV. FORMAL INVITATION FOR BIDS

Definition:

The use of a published, formal Invitation for Bids (IFB), also known as a formal request for proposals (RFP), is necessary for purchases expected to exceed \$10,000 when the specifications of the item are well defined.

Policy:

Revised and readopted by the Hinsdale County Board of County Commissioners on July 31, 2024.

It is the goal of both the Hinsdale County Board of County Commissioners and the County Administrator to maximize free and fair competition between vendors while assuring the best possible product at the best price.

Subject to any exceptions in this Policy and under Colorado law, the County Commissioners or other applicable Department Head are not bound to select the supplier submitting the lowest dollar bid and retain the right to make their selection after consideration of any other factors deemed appropriate to the proposed purchase. The Board of County Commissioners or other applicable Department Head may also reject all bids.

Exceptions to the Policy:

The following are exceptions to this Policy:

- When the item(s) or service has been formally awarded to a vendor by the State of Colorado, MAPO, or another cooperative purchasing group, and the product or service meets the needs of the County.
- When the item or service is sole sourced, which may occur when the product or service is of a unique or professional nature, or allows for standardization with existing equipment and shall provide exceptional value to the County.
- For emergency purchases where the well-being of the citizens, employees or County property may be endangered if the purchase is delayed.
- Where the County currently has a contract in place or previous relationship with a vendor for like products or services. Utilization of this exception requires the approval of the Elected Official or Department Head and the County Administrator.

Procedure:

1. The requesting department is to contact the County Administrator in writing stating the nature of the IFB.

The County Administrator shall:

- 1.1 Develop the notice of invitation to bid for publication;
- 1.2 Determine if a bid bond is required;
- 1.3 Determine if a performance and material payment bond is required;
- 1.4 Develop the bidders list;
- 1.5 Distribute the IFB;
- 1.6 Evaluate the responses; and
- 1.7 Award to the winner a purchase order, contract or other agreement as required.

2. Bid Package Preparation and Distribution--the County Administrator shall:

- 2.1 Place the IFB notice:
 - 2.1.1 In the Lake City Silver World Newspaper;
 - 2.1.2 In any other regional newspapers, if desired
 - 2.1.3 On the Hinsdale County website
 - 2.1.4 On any other relevant websites
- 2.2 Prepare the bid packets including, if applicable:
 - 2.2.1 Invitation for Bids;
 - 2.2.2 Project description;
 - 2.2.3 Specifications and Plans;
 - 2.2.4 Special Provisions;
 - 2.2.5 Insurance Attachment;

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- 2.2.6 Time, Date and Location of Pre-Bid Meetings, if required;
- 2.2.7 Time and Date for the submittal of written questions when a Pre-Bid Meeting is not required; and
- 2.2.8 Bid Closing Date and Time.
- 2.3 A notification of the Invitation to bid can be sent out to suggested vendors and the vendors currently in the Expenditures Database.
- 3. Pre-Bid Meeting – Pre-bid meetings are not required in all instances. Pre-bid meetings are held at the discretion of the Board of County Commissioners. If a pre-bid meeting is necessary, the County Administrator (and Road and Bridge Supervisor, if applicable) shall attend all Pre-bid meetings to record the attendees, note any issues that require explanation and develop and distribute to all vendors any addendum to the bid document.
- 4. Bid opening – the County Administrator shall assure:
 - 4.1 Acceptance of all bids up to the time of bid opening, noting the time and date the bid was delivered on the outside of the sealed package. Bids received by email shall be printed and sealed by the County Administrator. No bids shall be opened prior to the time and date specified in the IFB.
 - 4.2 All bids submitted after the time stipulated in the IFB shall not be opened and shall be returned to the vendor with a letter stating that the bid was submitted late and shall not be considered.
 - 4.3 All bids shall be opened in a public setting by the Board of County Commissioners and shall state the vendor's name, and the price submitted for the item or service.
 - 4.4 A county employee shall be present to record and witness the opening of all the bids on a bid tally sheet.
 - 4.5 The copies of the bid tally sheet shall be made available to all the parties attending the opening upon request.
 - 4.6 The County Commissioners shall award the bid. The County Administrator shall notify the winning bidder. Notice of the award and the bid tally sheet shall be kept by the County Administrator for recordkeeping.

V. CONSTRUCTION CONTRACTS AND BIDDING

Policy:

All construction projects anticipated to be in excess of \$5,000 shall be advertised and competitive bids solicited after plans and specifications have been approved by the Board of County Commissioners and all other required approvals received. Any construction project of lesser value may also be advertised, and competitive bids solicited at the discretion of the County Commissioners.

Procedure:

1. Request for Bids: All projects to be bid shall be advertised in a paper of general circulation within the County at least 10 days prior to the date set for the opening of bids. The advertisement shall state the date for the opening of bids and that any qualified builder interested in participating in open competitive bidding for the project may procure drawings and specifications at the County Administration Office. Any walk-through or other requirements specific to the project may be specified in the advertisement as well. Line-item bid sheets may be used to prevent misunderstanding and confusion.

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2. Submission of Bids/Bonds: On projects anticipated to be in excess of \$50,000, each bidder shall be required to submit with the bid a bid bond in a sufficient amount to be determined by the estimated cost of the project in order to ensure that the lowest bidder acting in the best interest of the County (as defined in "Selection of the Winning Bid") accepts the contract.
3. The County shall prepare and submit a cost estimate for the project in the same manner as other bidders.
4. No bid for the construction, alteration or repair of any building shall be accepted if it does not conform to the plans and specifications furnished, if applicable. Bidders may be required to provide specific information related to the factors stated below.
5. The County Commissioners may take submitted bids under advisement rather than arriving at an immediate selection, allowing ample time for careful study by the architect, engineer, project manager, administrative officials and the attorney for the County, as the same may be applicable to the specific project.
6. The County Commissioners reserve the right to reject any and all bids in whole or in part for nonconformance with the factors stated below and to waive irregularities or technicalities. The County Commissioners also reserve the right to handle emergency situations without regard to the provisions of this Policy and to waive competitive bidding for projects for which it receives no bids. The provisions of C.R.S. 29-1-701 through 29-1-707 will be followed, as applicable, for all state-funded local projects.

VI. PROTEST PROCEDURE FOR VENDORS

Purpose:

This Policy applies to all Bids and Request for Proposals that involve Federal Funds. It assures all submitting vendors the right and ability to protest the award of any contract or awarded bid by the County based on the protesting vendor's view that the award was not fair or restrained open competition.

Exceptions:

A vendor may not protest when the County has exercised its right to sole source a product or service as stated herein.

Procedure:

1. Protest submittal
 - 1.1 The protesting vendor must submit a protest in writing to the Hinsdale County Administrator, or his or her designee, within two (2) working days of the awarded contract by the Hinsdale County Board of County Commissioners.
 - 1.2 The protest must include the reason for the protest and an explanation of how the award was unfair or restrained competition.

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2. The County Administrator shall, upon receipt of the protest, take action to suspend any work and/or cancel or stay any purchase order(s) currently in place related to the Bid or RFP.
3. The Administrator shall make a recommendation to the Hinsdale County Board of County Commissioners only after a full and complete evaluation of the items referenced above. The Board may then:
 - 3.1 Reject the protest and proceed with the original awarded vendor;
 - 3.2 Accept the protest and cancel the RFP or Bid and require the County Administrator to reissue the Bid or RFP; or
 - 3.3 Require additional study of the protest using whatever resources are necessary to assure the award is made to the most responsive and responsible vendor.

The decision of the Hinsdale County Board of County Commissioners shall be final and no further protest shall be considered.

VII. SOLE SOURCE JUSTIFICATION

Definition:

To sole source a commodity or service is to identify one vendor or manufacturer as the only viable entity to purchase the commodity or service from. This process bypasses the bidding requirements as outlined in this manual.

Policy:

The Hinsdale County Board of County Commissioners may authorize an exemption from bidding policies under the following circumstances:

- When the item(s) or service has been formally awarded to a vendor by the State of Colorado, MAPO, or other cooperative purchasing group, and the product meets the needs of the County.
- The item or service may be sole sourced when the product or service is of a unique or professional nature or allows for standardization with existing equipment and will provide exceptional value to the County.
- When the service sought is a professionally licensed service in the State of Colorado.
- Emergency purchases where the well-being of the citizens, employees or County or other property may be endangered if the purchase is delayed.
- Where the County currently has a contract in place or an established relationship with a vendor for like products or services. Utilization of this exception requires the approval of the Elected Official, Department Director, the County Administrator and the County Attorney.

Procedure:

1. The Department must provide written justification to the Hinsdale County Administration Department for review.
 - 1.1 The County Administrator, or his/her designee, shall review the justification and work with the requesting Department to assure that a sole source is in the best interest of the County and does not violate the policies and procedures that have been adopted by the County.
 - 1.2 Once approved, the originating department shall expedite the purchase.

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VIII. ACCOUNTS PAYABLE

Definition: The process for paying for purchases

Policy: The following process for accounts payable is approved by the County's auditors and must be followed by Department Heads.

Procedure:

1. The Hinsdale County budget is approved annually by the County Commissioners.
2. Department Heads have the authority to make purchases not specifically included in their budget via a line item, if the purchase does not go over that Department's approved budget and the purchase is consistent with a line item currently in said Department budget. Purchases over the approved budget, or not contained in a line item on the Department's budget, must be approved by the County Commissioners and may require a budget amendment.
3. When a purchase is made, a voucher shall be attached to the invoice for the purchase and submitted to the Finance Department. Vouchers must be signed by a Department Head.
4. Vouchers to be paid are entered into the Incode accounting software by the Finance Director or Administrative Assistant.
5. Vouchers must be approved by the County Commissioners at regular Board meetings.
6. Checks shall be issued for payment following approval by the County Commissioners. Only the Finance Director and Treasurer have authority to issue checks.
7. The County Clerk and the Chair of the Board of County Commissioners shall both sign checks to pay for County purchases. A signature stamp may be used for the Board Chair's signature.
8. Checks for purchases are drawn out of the County's BMO checking account.
9. Bank reconciliations shall be completed by the Treasurer. Once the Treasurer has completed each month's bank reconciliation and the Finance Office completes the Cleared Warrants worksheet, the Treasurer shall prepare the Pooled Cash Report and Treasurer's Report from Incode. Discrepancies shall be identified and resolved.
10. Per Diem for the All Hazards Team are paid from assignments via electronic fund transfers once per week. These are entered into the accounting system by the Finance Officer.
11. County employees' due reimbursements are paid by electronic fund transfers approved at regularly scheduled County Commissioner meetings. These are entered into the accounting system by the Finance Officer.

Exceptions to the Policy: None

IX. MANUAL CHECKS REQUESTS

Purpose:

To define and establish when it is appropriate for Hinsdale County to issue manual checks outside of the normal check-processing schedule.

Policy:

The issuance of manual checks may be made by the County Finance Officer or the County Treasurer for:

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1. Emergency situations where the safety of the citizens, County employees, or County assets are deemed to be in danger;
2. Emergency Travel Advances where a County Department has less than 24 hours notice that an employee must travel on County business. This does not include advances for educational trips;
3. Settlement of legal matters as directed by the County Attorney and as approved by the Board of County Commissioners; and
4. Facilitation of necessary last-minute transactions costing less than \$500; all manual checks must bear the signature of the County Finance Officer and at least one County Commissioner.
5. Expenditures that require manually written checks should be approved at the next regularly scheduled Board of County Commissioners meeting.

END OF POLICY