

 <p>TOWN OF PALISADE PROCUREMENT POLICY AND PROCEDURES Authority: Palisade Municipal Code Sections 4-81 – 4-87</p>	Topic: Procurement
	Effective: October 15, 2020
	Issued By: Town of Palisade
	Approved By: Palisade Board of Trustees Jim Neu, Town Attorney Janet Hawkinson, Town Manager Travis Boyd, Finance Director

1.0 General Provisions

1.1 Purpose

The purpose of this Procurement Policy is to:

- Provide for the fair and equitable treatment by the Town of all persons involved in public procurement.
- Maximize the purchasing value of public funds.
- Codify and standardize the Town's procurement rules and regulations for orderly and efficient administration.
- Provide safeguards for maintaining a procurement system of quality and integrity.
- Foster effective, broad-based competition within the free enterprise system.

1.2 Scope

- 1.2.1 The Procurement Policy applies to the procurement of all goods and services required by the Town irrespective of the source of the Town funds.
- 1.2.2 When the procurement involves the expenditure of state or federal assistance, grants or contract funds, the procurement shall be conducted in accordance with any applicable local, state or federal laws/regulations as they pertain to the state or federal assistance, grant or contract funds.
- 1.2.3 The Town may at times award pass-through federal funds to eligible community partners for the purpose of providing support for the performance of any portion of the substantive project or program for which the Town receives the award. Sub-awards of federal funds passed through to community partners are subject to this Procurement Policy insofar as goods and services are purchased with the funds and shall comply with the Code of Federal Regulations (CFR) Title 2 - Grants and Agreements.
- 1.2.4 All Town officials and employees are governed by the provisions of this Procurement Policy whether directly or indirectly involved in a procurement transaction. Violation of these provisions is grounds for disciplinary action, up to and including, termination of employment and/or referral for criminal action.

- 1.2.5 The Town is responsible for purchasing high quality goods and services, at a reasonable cost and in a timely manner, through a competitive selection process.
- 1.2.6 The Town is responsible to ensure fair and equitable treatment of all persons involved in providing goods, services and/or construction to the Town.
- 1.2.7 The Town is responsible for maintaining an open and competitive environment to all qualified vendors where sellers have access to Town business and that all procurement actions are conducted fairly and impartially in the best interest of the Town.
- 1.2.8 Competitive sealed bids or competitive proposals shall be used to facilitate contracts with nongovernmental contractors for the purchase or lease of goods and services in accordance with the limitations described herein.

2.0 Ethics

2.1 Ethical Standards

- 2.1.1 All Town officials and employees must comply with the Standards of Conduct and the Code of Ethics contained in C.R.S. § 24-18-101, et seq., the rules concerning interests in contracts contained in C.R.S. § 24-18-201, and the ethics in government provisions applicable to Town officials and employees contained in Article XXIX of the Colorado State Constitution. The Ethical Standards stated in this Section 2.0 are summaries of the statutory and constitutional requirements, and do not supersede the statutory and constitutional requirements. Any official or employee who has a question about whether a specific action is a violation of the Ethical Standards should review the applicable statutes and constitutional provisions cited in this Section 2.0 and/or consult with the Town Attorney.
- 2.1.2 A Town official or employee shall not:
 - A. Disclose or use confidential information acquired in the course of his or her official duties in order to further substantially his or her personal financial interests; or
 - B. Accept a gift of substantial value or a substantial economic benefit tantamount to a gift of substantial value, as described in C.R.S. § 24-18-104, including, without limitation, any gift with a value in excess of the amount of \$53.00, as such amount limitation may be adjusted for inflation pursuant to Section 3 of Article XXIX of the Colorado State Constitution.
- 2.1.3 The principles contained in this Section 2.1.3 are intended as guides to conduct and do not constitute violations as such of the public trust of office or employment with the Town:
 - A. A Town official or employee should not acquire or hold an interest in any business or undertaking which he or she has reason to believe may be directly and substantially affected to its economic benefit by official action to be taken by an agency over which he or she has substantive authority.
 - B. A Town official or employee should not, within six months following the termination of his or her office or employment with Town, obtain employment in which he or she will take direct advantage, unavailable to others, of matters with which he was directly

involved during his term of employment. These matters include rules, other than rules of general application, which he or she actively helped to formulate and applications, claims, or contested cases in the consideration of which he or she was an active participant.

- C. A Town official or employee should not perform an official act directly and substantially affecting a business or other undertaking to its economic detriment when he or she has a substantial financial interest in a competing firm or undertaking.
- D. A Town official or employee is discouraged from assisting or enabling members of his or her immediate family in obtaining employment, a gift of substantial value, or an economic benefit tantamount to a gift of substantial value from a person whom the official or employee is in a position to reward with official action or has rewarded with official action in the past.

2.1.4 To the extent that violations of ethical standards of conduct constitute violations of state or federal laws, sanctions shall be imposed as provided by law.

2.2 Employee Requirements

Subject to exceptions set forth in C.R.S. § 24-18-201, Town officials and employees shall not be interested in any contract made by them in their official capacity or by any body, agency, or board of which they are members or employees. A former Town employee may not, within six months following the termination of his or her employment, contract or be employed by an employer who contracts with the Town involving matters with which he or she was directly involved during his or her employment. For purposes of this section, the phrase "be interested in" does not include holding a minority interest in a corporation.

2.3 Vendor Requirements

2.3.1 No bidder, vendor, potential supplier, contractor or subcontractor shall confer upon any public official or employee, participating in a procurement transaction, any payment, loan, subscription, advance, deposit of money, services, present or promised.

2.3.2 All bidders, vendors, potential supplier, contractors or subcontractors shall complete a disclosure of interest form to inform of any personal interest of any public official with respect to any Town procurement. Failure to make the required disclosure may result in disqualification, disbarment, suspension from bidding, rescission of contracts and/or other sanctions as appropriate

2.3.3 No contractor or subcontractor shall give, demand or receive from any suppliers, subcontractors or competitors any bribe or kickback or anything of value in return for participation in a procurement transaction or agreeing not to compete in a transaction.

2.3.4 Architects or engineers contracted by the Town may not furnish building materials, supplies or equipment for any structure on which they are providing professional services.

2.4 Contemporaneous Employment Prohibited

It is prohibited for any Town employee who is participating directly or indirectly in the procurement process to become or to be, while a Town employee, the employee of any other person contracting with Town.

2.5 Conflict of Interest Waiver

The Town Administrator, in consultation with the Town Attorney, may grant a waiver from the above Employee Requirements provisions upon making a determination that:

- A. The conflict or financial interest has been disclosed;
- B. The employee will be able to perform their procurement function without actual or apparent bias or favoritism, and without a violation of state or federal law; and
- C. The award will be in the best interests of the Town.

2.6 Remedies and Consequences of Breach

The value of anything transferred or received in a breach of ethical standards will be recoverable by the Town from the recipient in accordance with due process requirements and existing law.

3.0 Authority

3.1 Town Board of Trustees

The Town Board of Trustees shall establish the policy for all procurement conducted by Town government.

3.2 Town Administrator

The Town Administrator is responsible for ensuring compliance with the Procurement Policy.

3.3 Department Directors

Department Directors shall be delegated purchasing authority and responsibility as set forth. Department Directors may delegate purchasing authority to Department staff as required.

4.0 Expenditure Approval and Source Selection Requirements

The following table reflects expenditure approval and source selection requirements:

Table 4.0

Expenditure Amount	Expenditure Approval Level	Source Selection
Less than \$3,000	Department Director	No competitive bid required
\$3,000 - \$14,999	Town Administrator	No competitive bid required
\$15,000 - \$100,000	Board of Trustees	Documented, competitive bid from at least three (3) sources
Greater than \$100,000	Board of Trustees	Formal, advertised bid (IFB or RFP)

Table Notes:

- Town staff will exercise due diligence to ensure competitive pricing for all purchases.
- All thresholds above are per transaction not per item.
- Adequate current year budget appropriation required for all purchases.

- Expenditures involving Town facilities including leases, rentals, maintenance, furniture, computer and phone equipment, or vehicles must be coordinated with Facilities, Finance and/or IT Departments.
- Expenditures involving insurance purchases or services require Risk Management, Town Attorney and Board of Trustee approval.
- Expenditures involving legal purchases or services require approval from the Town Administrator.

4.1 Purchasing Agent

The Purchasing Agent is responsible for:

- A. Purchasing high quality goods and services at reasonable cost in a timely manner;
- B. Maintaining an open and competitive environment to ensure that qualified buyers and sellers have access to Town business and that purchasing actions are conducted fairly and impartially in the best interest of the Town; and
- C. Documenting the source selection file when an Invitation for Bid (IFB), Request for Proposal (RFP), or Request for Qualifications (RFQ) process is required. Each file will contain a copy of the bid or proposal solicitation, a copy of the advertisement, copies of the bids or proposals received from potential vendors, and a bid or proposal analysis sheet that justifies the selection process. The requesting Town Department shall maintain a file, per retention schedules, after award that includes contracts, purchase orders and relative bid or proposal documents.

4.2 Source Selection

4.2.1 Purchases less than \$3,000

No competitive process is required. Town staff will exercise due diligence in purchasing goods or services to ensure competitive pricing.

4.2.2 Purchases between \$15,000 and \$100,000

No competitive process is required. All purchases require Town Administrator approval. The exercise of due diligence in purchasing goods or services to ensure competitive pricing is required.

4.2.3 Purchases between \$15,000 and \$100,000

Documented competitive bids from at least three (3) separate sources required.

4.2.4 Purchases greater than \$100,000

Competitive source selection (IFB or RFP) process required.

4.2.5 In all purchases, the bid or contract shall be awarded to the most responsive, responsible and best-value bidder, which may not necessarily be the lowest-price bidder being selected.

4.3 Documented Competitive Bids or Competitive Source Selection

4.3.1 In competitive bidding pursuant to Section 4.2.2, the following shall be required, as applicable:

- A. Instructions and information to bidders concerning the bid submission requirements, including the time and closing date and the address of the office to which bids are to be delivered;
- B. The project description that includes the Specifications and/or Scope of Work (SOW) and all drawings;
- C. The basis of award, delivery, or performance schedule, and inspection

and acceptance requirements; The proposed contract and all standard clauses, conditions, and attachments, as may be amended upon consultation with the Town Attorney; and

D. A schedule of all applicable deadlines and key dates.

4.3.2 The procurement of goods or services exceeding an estimated annual expenditure of \$100,000 must be competitively solicited through a sealed Invitation for Bid (IFB) or Request for Proposal (RFP) process that is conducted by and/or coordinated with the Purchasing Department.

4.3.3 Colorado Statute 43-2-209 requires that proposed work on highways be advertised and that a formal competitive source selection process be conducted, for work requiring a contractor's bond.

4.4 Sole Source Procurements

If a competitive process is required, as noted in Section 4.2, a purchase order or a contract may be awarded without competition when the Town- Board of Trustees determines, after conducting a good faith review of available sources, that there is only one feasible or practical source for the required goods or services. The Town Administrator, with the assistance from the Director of the requesting department, may conduct negotiations, as appropriate, as to price, delivery, and other terms and conditions.

4.5 Invitation for Bids (IFB)

An IFB is the formal process used to solicit competitive, sealed bids from qualified vendors for goods, and in some cases for services, when complete specifications or specific purchase descriptions are available. The specifications for the items to be procured are not subject to negotiation.

4.5.1 Requirements of an IFB

In consultation with the responsible Department, the Purchasing Agent will prepare and publish an IFB solicitation package that shall, at minimum, include:

A. Instructions and information to bidders concerning the bid submission requirements, including the time and closing date and the address of the office to which bids are to be delivered;

B. The proposed contract and all standard clauses, conditions, and attachments, as may be amended upon consultation with the Town Attorney;

C. Accurate and thorough description of the Specifications and/or Scope of Work (SOW) and any drawings;

D. The basis of award, delivery, or performance schedule, and inspection and acceptance requirements; and

E. A schedule of all deadlines and key dates.

4.5.2 Competitive sealed bids shall be publicly opened in the presence of one or more witnesses at the time and place designated in the bid document. The amount of each bid, and other relevant information as deemed appropriate, shall be recorded. This record, as well as each bid received, shall be available for public inspection. Bids submitted by fax or other electronic media are considered to be sealed bids if the IFB document permits such submittals. Such electronically submitted bids shall be presented at the time and place of the IFB opening and given equal consideration.

4.5.3 All bids shall be unconditionally accepted without alteration or corrections, except as specifically authorized elsewhere in these procedures. Bids shall be evaluated based on the requirements set forth in the IFB document which may include consideration for such factors as: inspection, standardization, testing, references, quality, price, workmanship, delivery, functionality, and suitability for a particular purpose. Potential suppliers responding to an IFB may be contacted by the Purchasing Agent prior to award, for the purposes of obtaining clarification to assure a full understanding of, and conformance to, all IFB requirements. The Town can only use information submitted as a part of the suppliers IFB response to evaluate the merits of the quotation submitted.

4.6 Request for Proposals (RFP)

A RFP is the formal process used to solicit proposals from qualified vendors for services, and in some cases for goods, when the specifications are a desired outcome and recommendations about how to achieve that outcome are requested. The terms of the proposals upon submission are open to negotiation.

4.6.1 Requirements of an RFP

In consultation with the responsible Department, the Purchasing Agent will prepare and publish an RFP solicitation package that shall, at minimum, include:

- A. Instructions and information to the proposer concerning proposal submission requirements, including the time and closing date and the address of the office to which proposals are to be delivered;
- B. The proposed contract and all standard clauses, conditions, and attachments, as may be amended upon consultation with the Town Attorney;
- C. Accurate and thorough description of the Specifications and/or Scope of Work (SOW), any drawings, and any insurance/bonding requirements;
- D. The evaluation factors and their relevant importance, and
- E. A schedule of all deadlines and key dates.

4.6.2 The source selection process for RFP's is the same as identified for IFB's and RFQ's with two (2) exceptions:

- A. The register that is prepared, containing information on the proposals received and other associated information, shall not be disclosed until after award of the contract.
- B. The identity of competing supplier's, and the associated information derived from their RFP response, shall not be disclosed to any competing RFP respondent prior to award of the contract. After award of a contract, information received from all vendors who responded to the RFP shall be considered public information and shall be made available for public review.

4.7 Request for Qualifications (RFQ)

An RFQ is the formal process to solicit statements of qualifications of potential service providers.

4.7.1 Requirements of an RFQ

In consultation with the responsible Department, the Purchasing Agent will prepare and publish an RFQ solicitation package that shall, at minimum, include:

- A. Instructions and information to the potential supplier concerning submission requirements, including the time and closing date and the address of the office to which responses are to be delivered.

4.8 Public Notice of IFB, RFP, or RFQ

In cases where an IFB, RFP or RFQ is used, adequate public notice through advertisement in newspaper(s) of general circulation is required. Reasonable time shall be given to allow potential suppliers an opportunity to respond to the respective IFB, RFP or RFQ document. Public notices for construction work must be published fourteen (14) days prior to the date set forth for the opening of such IFB, RFP or RFQ. Such public notice shall state the place, date, and time of the IFB, RFP or RFQ opening. Advertisement in additional publications is optional.

4.9 Exceptions to Competitive Selection Requirements

The following are exempt from competitive source selection:

- 4.9.1 Notwithstanding any other provisions of the Town Procurement Policy, the Town Administrator may make, or authorize others to make, emergency procurements of goods or services up to an expenditure limit of \$50,000, when there exists a threat to public health, welfare or safety, and:
 - A. The emergency procurement is made with as much competition as is practical under the circumstances;
 - B. Sufficient budgeted and appropriated funds are available; and
 - C. The emergency purchase is placed on the next regularly scheduled Town Board of Trustees meeting for ratification.
- 4.9.2 Advertisements placed in newspapers to meet obligations under Colorado Statutes concerning legal and/or public notices; or, for purposes of increasing public awareness of services.
- 4.9.3 Governmental agency agreements that facilitate payments (or reimbursements) between Town and other agencies for which an appropriation was determined by budget hearings whether conveyed under contract, grant or other means, and whether or not Town receives goods, services, or other values there under. (*i.e. emergency search & rescues, cities, counties, public education institutions, etc.*)
- 4.9.4 Mileage and personal reimbursements to Town officials or employee or individuals for expenses paid out-of-pocket as stated in the Town Employee Handbook.
- 4.9.5 Dues, meetings, and miscellaneous travel expenses for seminars or conventions.
- 4.9.6 Education and training fees paid for training of Town officials or employees.
- 4.9.7 Expert witness and transcript services for the Town Attorney, Prosecuting Attorney, or Police Chief.
- 4.9.8 Rent payments or leases for equipment, buildings, vehicles that are established by a negotiated and approved contract.
- 4.9.9 Telephone bills.

- 4.9.10 Utility bills for electrical, water, natural gas, and sewer services that are regulated by pricing schedules controlled through the Colorado Public Utilities Commission or other governmental entity.
- 4.9.11 Intergovernmental Agreements and Memorandums of Understanding to receive specific services from other government entities.
- 4.9.12 Perishable items that have a limited useful shelf life or are date sensitive.
- 4.9.13 Goods or services available from recognized multi-agency contracting groups, such as Western States Contracting Alliance (WSCA).
- 4.9.14 Goods or services that are available via prior awarded bid to a governmental entity in the state of Colorado.
- 4.9.15 Goods or services that are ordered to be immediately purchased or performed by judicial authority.

4.10 Waiver of Competitive Source Selection Requirements

- 4.10.1 Requirements outlined in these procedures may be waived by the Town Board of Trustees when the same or similar supply or service has been put out to bid by the Town (or other Government entities) within the last six (6) months.
- 4.10.2 The competitive source selection process may be waived by the Town Board of Trustees or the Town Administrator upon a determination that the IFB or RFP requirements would cause undue delay or hardship for a Town Department, a delay contributes to a public safety hazard, and/or such waiver is deemed to be in the best interest of Town.

4.11 Cancellation of IFB, RFP or RFQ

An IFB, RFP, RFQ or other type of solicitation initiated by Town may be canceled, or a solicitation response by a vendor may be rejected in whole or in part as specifically identified in the solicitation document or when it is in the best interest of the Town. Each solicitation issued by the Town shall state that the solicitation may be cancelled and that any response to a solicitation issued by the Town may be rejected in whole or in part when in the best interest of the Town.

4.12 Withdrawal of Bid

Withdrawal of a bid by a supplier may be permitted (up to the time of award) if the supplier provides a written request to withdraw a bid or if the supplier submits written proof that clearly and convincingly demonstrates that an error was made.

4.13 Award of Contract

Any contract or purchase order shall be awarded with reasonable promptness by appropriate notice to the most responsive, responsible and best-value bidder, which may not necessarily be the lowest-price bidder being selected. In the event that all bids received exceed available funds, the Purchasing Agent is authorized, in situations where time or economic considerations preclude the re-solicitation of bids, to attempt to negotiate an adjustment of the price and/or the Scope of Work.

4.14 Bid Preference for Mesa County Resident Bidder

- 4.14.1 For the purposes of this section, a Mesa County resident bidder is defined as a business, individual, union, committee, club, organization or group of individuals which maintains a place of business and resident employees in Mesa County, Colorado.

- 4.14.2 When an award of a contract for goods or services is pending following a formal bid process, a resident Mesa County bidder shall be allowed a preference against a non-resident bidder equal to the preference given or required by the state or county or city in which the non-resident bidder resides.
- 4.14.3 In the event a resident Mesa County bidder desires to avail itself of this preference, the resident bidder must reasonably demonstrate to the Town Administrator in writing the preference given or required of the non-resident bidder's state or county or city. At the time of the bid opening or closing date for receipt of proposals, but before the award of the Contract, if it appears that a non-resident bidder and resident bidder(s) are among the three (3) most likely to have their bids or proposals accepted and the apparent lowest bid or proposed price has been submitted by a non-resident bidder, the Town Administrator shall announce a reasonable period of time (not to exceed five (5) business days) for the resident bidder(s) to provide written information on the preference given or required by the non-resident bidder's state or county or city. If deemed to be in the best interest of the Town, the Town Administrator may waive the process documented in this section.
- 4.14.4 If it is determined by the Town Administrator that awarding a contract in compliance with the preference guidance in this section may cause denial of federal or state money which would otherwise be available, would otherwise be inconsistent with requirements of federal or state law, or cause delays in procurement action that would be perceived to compromise public safety, the resident preference in this section shall be suspended.
- 4.14.5 In order to maximize the participation of Mesa County resident bidders in Town bidding activities, the Purchasing Agent shall endeavor to reach out to resident bidders by maintaining contact with business groups within Mesa County (i.e. Chambers of Commerce, Contractors Associations, etc.) concerning contracting opportunities with the Town.

4.15 Bid Protests, Claims, Remedies, and Non-responsibility

- 4.15.1 Any bidder, submitter of a proposal, or contractor who is aggrieved in connection with the solicitation or award of a contract may protest. Protestors shall initially seek resolution of their complaints with the Town Administrator. A protest with respect to an IFB, RFP or RFQ shall be submitted in writing prior to the opening of solicitations or the closing date of solicitations, unless the aggrieved person did not know and should not have known of the facts giving rise to such protest prior to bid opening or the closing date of proposals.
- 4.15.2 The protest shall be submitted in writing to the Town Administrator within seven (7) business days after such aggrieved person knows or should have known of the facts giving rise thereto. In the event of a timely protest, the Town Administrator shall call the matter to the Town Administrator's and the Town Board of Trustee's attention immediately and ask for a determination of whether it is necessary to delay or to go forward on the project despite the objection.
- 4.15.3 If prior to or after the bid opening or the closing date for receipt of proposals, the Town Administrator determines that a solicitation is in violation of state or federal law, the solicitation or proposed award shall be canceled or revised to comply with applicable law.

- 4.15.4 If after an award the Town Administrator determines that a solicitation or award of a contract was in violation of applicable law, the contract is void.
- 4.15.5 If for any reason, collusion or other anticompetitive practices are suspected among bidders or submitters of proposals, a notice of the relevant facts shall be transmitted to the Town Attorney's Office, which then may be transmitted to the Colorado Attorney General and/or the Mesa County District Attorney.

4.16 Specifications and Scope of Work

Specifications and Scopes of Work (SOW) serve as the basis for the procurement process which includes planning, method of source selection and contract administration. Specifications and Scopes of Work identify the nature and work to be done so that a bid or proposal can be tailored accordingly. All Specifications and Scopes of Work shall be prepared to promote overall economy and encourage maximum competition in satisfying the Town's requirements.

- 4.16.1 Specifications emphasize the functional or performance criteria required to meet the Town's needs. Specifications are used in connection with IFB's where contract award is determined on the basis of the most responsive, responsible and best-value bid or offer.
- 4.16.2 Scope of Work is a written description that identifies the result that the Town seeks to achieve upon contract completion. The Scope of Work is primarily used in conjunction with RFP's to provide a clear, accurate, and complete description of the work to be performed. The Scope of Work in the resulting contract defines what the Town expects from the Contractor and what the Contractor will expect from the Town.

4.17 Brand Name or Equal Specification

Because the use of a brand name specification is restrictive, it may only be used when the brand name will satisfy the Town's needs, and:

- A. No other design, performance specification or qualified product list is available;
- B. Time does not permit the preparation of another form of product description;
- C. The nature of the product or the nature of the Town's requirements makes use of brand name or equal specification suitable for the procurement; and
- D. It is in the Town's best interest due to compatibility with existing products.

4.18 Non-restrictive use of Brand Name or Equal Specification

When a brand name or equal specification is used in a bid document the bid document shall include language that the use of a brand name is for the purpose of describing the standard of quality, performance and characteristics desired and is not intended to limit or restrict competition.

5.0 Contract Administration

Contracts include Purchase Orders, Contracts for Professional Services, Professional Services Agreements, Capital Construction Contracts, and Procurement Card (P-Card) transactions that are used to acquire goods or services.

5.1 Contract Approval

- \$0 - \$2,999: Department Director
- \$3,000 - \$14,999: Town Administrator
- \$15,000 or more: Board of Trustees

- 5.1.1 All contracts and agreements must include the Town's standard contractual terms as approved by the Town Attorney.
- 5.1.2 Annual contracts may include four (4) one (1) year extensions.
- 5.1.3 Multi-year contracts must be approved by the Board of Trustees and are subject to annual appropriation.
- 5.1.4 Contracts and agreements shall not contain an evergreen clause that allows automatic extension without formal, written consent from the Town Administrator or Board of Trustees, depending on the contract amount.

5.2 Professional Service Contracts

- 5.2.1 Professional Services Contracts, including the initial term and all available extension options, shall not exceed sixty (60) consecutive months unless approved by the Town Board of Trustees.
- 5.2.2 Exceptions to Professional Services Contract terms:
 - A. Long term agreements with other government entities
 - B. Licensing agreements
 - C. As agreed to by the Town Administrator and the Town Board of Trustees

5.3 Change Orders to Professional Services and Capital Construction Contracts

- 5.3.1 Professional Services and Construction contracts shall contain a defined procedure to document any change to the scope of work. The Town Contract Administrator identified in the contract shall be responsible for documenting the change and any resulting changes in the contract value. Contracts shall contain instructions which define the manner in which changes are documented.
- 5.3.2 The contract's identified Town Contract Administrator shall have full authority to initiate and approve changes that decrease the scope of work and/or the contract price.
- 5.3.3 The contract's identified Town Contract Administrator may incorporate changes that increase the scope of work and/or the contract price with the following exceptions:
 - A. Proposed change exceeds 10% or \$25,000 (whichever is the lesser amount) of the initial contract value originally approved by the Town Board of Trustees; or
- 5.3.4 Exceptions identified in 5.3.3(A) require that the Board of Trustees be briefed at Public Hearing by the Contract Administrator and that the Board of Trustees must provide approval prior to any work beginning on any tasks associated with the Change Order under consideration. In the event the Board of Trustees does not approve the proposed Change Order(s) the additional work will either not be authorized by the Town or the additional scope of work may be subjected to a competitive source selection process on a stand-alone basis.

5.4 Change Order Exceptions

In the event the policies and procedures cited above do not serve the best interests of the Town for a specific contract, the contract's identified Contract Administrator may propose an alternative solution to the Town Board of Trustees for the specific contract only.

5.5 Contract Claims

All claims by a contractor against Town relating to a supply contract, except bid

protests, shall be submitted in writing to the Town Administrator for a decision. The contractor may request a conference with the Town Administrator on the claim. Claims include, without limitation, disputes arising under a supply contract and those based upon breach of contract, mistake, misrepresentation, or other cause for contract modification or cancellation.

5.6 Authority to Settle Bid Protests and Contract Claims

The Town Administrator is authorized to settle any protest regarding the solicitation or award of a Town supply contract, or any claim arising out of the performance of a Town supply contract prior to an appeal to the Town Board of Trustees or the commencement of an action in a court of competent jurisdiction.

- 5.6.1 The Town Administrator will review the contract claim and a written decision shall be promptly issued. The decision shall state the basis for the decision reached and shall inform the contractor of their appeal rights.
- 5.6.2 The Town Administrator's decision shall be final unless a written appeal is delivered to the Town Board of Trustees within seven (7) business days from the date of the receipt of the Town Administrator's decision.
- 5.6.3 If the Town Administrator does not issue a written decision regarding any controversy within twenty (20) business days after written request for a final decision, or within a longer period as may be agreed upon between the parties, then the aggrieved party may proceed as if an adverse decision had been received.

6.0 Disposal of Surplus Property

The final step in the procurement cycle is the disposal of surplus or obsolete items when it has been determined that these items have reached the end of their useful life to the Town. Any item of personal property must be designated as surplus before it may be sold. Personal property purchased by the Town at a cost of ten thousand dollars (\$10,000.00) or more must be declared surplus by the Board of Trustees. The Town Administrator may declare all personal property purchased by the Town at a cost of less than ten thousand dollars (\$10,000.00) to be surplus, but nothing in this Section shall prohibit the Town Administrator from referring surplus designation decisions on such property to the Board of Trustees. The Town Administrator shall destroy, dispose of, trade, solicit bids, sell, or auction surplus property purchased by the Town at a cost of less than ten thousand dollars (\$10,000.00) under the most cost-effective and beneficial option as determined by the Town Administrator in his or her sole discretion to obtain the best value from the market considering staff resources.

The following methods of disposal may be utilized, upon approval of the Town Administrator, to repurpose, recycle or dispose of surplus or obsolete items when it is in the best interest of the Town to do so:

- Transfer items to another Town Department.
- Sell items to the highest bidder at advertised public or online auctions after a minimum of ten (10) days notice in the newspaper of current local circulation.
- Donate items to other governmental entities or nonprofit organizations.
- Salvage or recycle scrap items and deposit proceeds back into the Fund in which the property originated.
- Town sponsored Surplus Property Sales.

- A. In the event that no monetary offers are received the Town Administrator may negotiate a sale, donate it to any person or entity, or dispose of it in any manner the Town Administrator deems fit.
- B. Town employees may bid on surplus property at advertised public auctions or sales, however, Town employees may not purchase surplus property through a negotiated sale of any type.
- C. The disposal of surplus property must be approved by the Town Administrator and coordinated through the Finance Department.
- D. The Town Administrator shall report to the Board of Trustees within thirty (30) days of disposition the manner and terms of all completed dispositions of surplus property.

7.0 Glossary of Terms (Definitions)

AWARD is the acceptance of a quote or proposal by the execution of a written agreement.

BIDDER is a business, individual, committee, club, organization or group of individuals that provide a competitive price offer and has the capability in all respects to perform fully the contract requirements.

TOWN BOARD OF TRUSTEES is the Town board of elected officials (acting in any legal capacity) pursuant to Palisade Municipal Code SEC 2-22.

BRAND NAME OR EQUAL SPECIFICATION is a bid specification that identifies a particular manufacturer's product by name, trademark, or other identifying numbers to describe the standard of quality, performance, and other salient characteristics needed to meet Town requirements and allows vendors to submit equivalent products.

BRAND NAME SPECIFICATION means a bid specification limited to a particular manufacturer's brand name product or trademarked item whereby vendors may only submit bids for the brand name product identified. Town efforts to gain efficiencies through standardizing on certain brand of products justify the use of a brand name specification in a bid solicitation.

TOWN ADMINISTRATOR as defined in Palisade Municipal Code Sec. 2-55 or his or her designee.

CONTRACT includes Purchase Orders, Contracts for Professional Services, Professional Services Agreements, Capital Construction Contracts, and Procurement Card (P-Card) transactions that are used to acquire goods or services.

CONTRACTOR is any person or company having a contract with Town.

DIRECT OR INDIRECT PARTICIPATION is the involvement rough decision, approval, disapproval, recommendation, preparation of any part of the purchase request, influencing the content of a specification or standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

FINANCIAL INTEREST is any monetary involvement in a business, employment or prospective employment for which negotiations have begun, an ownership interest in real or personal property, a loan or any other debtor interest, or being an officer in a business.

GRATUITIES are a payment, loan subscription, advance, deposit of money, service, or anything of more than nominal value, present or promised.

IMMEDIATE FAMILY is the spouse, domestic partner, parent, grandparent, child, grandchild, brother, sister, either through blood, adoption or marriage, which includes in-law and step relationships.

INVITATION FOR BID (IFB) is the formal process used to solicit bids from qualified vendors for goods or services when complete specifications or specific purchase descriptions are available.

PROCUREMENT is the buying, purchasing, renting, leasing, or other acquisition of supplies/services that involve the expenditure of funds or the rendering of any consideration on the part of the Town. Though the terms "Procurement" and "Purchasing" are often used interchangeably, "Purchasing" is only one phase of the procurement cycle.

Procurement consists of:

- Planning and scheduling including defining the need, source selection, risk assessment and allocation of resources.
- Source selection (purchasing) is the process through which qualified providers are identified, solicited, evaluated and selected.
- Contract administration includes finalization of terms and conditions, payment of invoices, and adherence to identified insurance requirements through contract completion.

PROCUREMENT PROCESS is the series of acts of defining requirements, solicitation of sources, issuing bid documents, source selection, preparation and award of contract, and administration of the contract.

PURCHASING AGENT is the Town agent(s) authorized to procure items and services via agreed upon procedures, whether decentralized or centralized.

REQUEST FOR INFORMATION (RFI) is a written request for contractors to provide non-proprietary product and/or service information. An RFI is issued by the Town for the purposes of allowing contractors an opportunity to make representations concerning products they sell or services they render; without any obligation on the part of the Town to purchase such goods or services.

REQUEST FOR PROPOSAL (RFP) is all written documents, whether attached or incorporated by reference, utilized for the solicitation of proposals. An RFP requires a contractor to propose a solution to Town based on the contractor's interpretation of the RFP specifications and statement of work.

REQUEST FOR QUALIFICATIONS (RFQ) is the formal process for the Town to solicit statements of qualifications of potential service providers allowing potential service providers an opportunity to make representations concerning services they render; without any obligation on the part of the Town to purchase such services.

SCOPE OF WORK (SOW) describes the specific service requirements and expectations applicable to a contractor concerning particular goods and/or services being procured by the Town. The SOW identifies responsibilities of both the Town and the Contractor.

SERVICES are the furnishing of labor, time, materials, tools and/or equipment by a contractor which involves the delivery of a specific end result related to the performance criteria in the contract.

SPECIFICATION is any description of the physical or functional characteristics or description of the unique nature of a product or service.

SURPLUS PROPERTY is any Town owned property that is no longer function (and is beyond repair), has been utilized for a period of time equal to its useful life, and/or is no longer of any use to any Town Department.

TOWN is the Town of Palisade, Colorado