

RESOLUTION NO. 29-01

A RESOLUTION ADOPTING A POLICIES AND PROCEDURES MANUAL FOR PURCHASING OF EQUIPMENT, MATERIALS, SUPPLIES AND NON-PERSONNEL SERVICES BY THE CITY OF GRAND JUNCTION, COLORADO.

WHEREAS, as a home rule city under Colorado statutes, we have the right to adopt our own written purchasing policies and procedures; and,

WHEREAS, the City of Grand Junction believes a systematic, consistent, unified, and standardized purchasing program contributes to the efficiency and effectiveness of the entire City organization; and,

WHEREAS, the City of Grand Junction requires that procurement of all goods and services necessary for the performance of City operations take place within a prescribed framework of rules and regulations designed to protect the public interest; and,

WHEREAS, it is in the best interest of the City to adopt and follow such policies and procedures, as described in Exhibit A.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND JUNCTION: That,

- (a) All Purchases made on behalf of the City of Grand Junction shall be made in accordance with and conforming to the rules and regulations as published in the revised City of Grand Junction Purchasing Manual dated April 4, 2001.
- (b) The forms and processes described herein can from time to time be modified with approval of the City Manager, but such changes shall not affect the competitive bidding and approval requirements.

PASSED and ADOPTED this 4th day of April, 2001.

Attest:

/s/ Gene Kinsey
President of the City Council

/s/ Stephanie Nye
City Clerk

City of Grand Junction, Colorado

Purchasing Policy And Procedure Manual

DIVISION OF PURCHASING

April 4, 2001

2549 River Road

Grand Junction, Colorado 81505-7209

(970) 244-1533

TABLE OF CONTENTS

SECTION 1: INTRODUCTION

	<u>Subsection</u>
Forward	1.1
Purpose of Manual	1.2
Centralization of Purchasing Authority	1.3
Applicability	1.4
Procurement Contrary to this Manual	1.5
Policy	1.6
Responsibility	1.7
Changes	1.8

SECTION 2: PURCHASING AUTHORITY

City Council	2.1
City Manager	2.2
Department Directors	2.3
Purchasing Manager	2.4
Senior Buyer	2.5
Division Managers	2.6
Delegation to Other City Officials	2.7
Procurement Approval Table	2.8
Purchasing Privileges Table	2.9
Purchasing Division Organization Chart - Assignments	
2.10	

SECTION 3: ETHICS IN PUBLIC CONTRACTING

General Statement	3.1
Policy	3.2
Vendor Requirements	3.3
Gratuities and Kickbacks	3.4
Confidential Information	3.5
Employee Personal Purchases	3.6
Purchases from Employees	3.7
Public Disclosure Record	3.8
Sanctions	3.9

SECTION 4: INFORMATION - REQUISITION

Introduction	4.1
Purchasing Cycle	4.2
Anticipation of Needs	4.3
When to Use a Requisition	4.4
How to Prepare Requisition	4.5
Purchasing Division Responsibility	4.6
Timetables	4.7

SECTION 5: PURCHASE ORDER

Purpose	5.1	
When to Use Purchase Order	5.2	
Process	5.3	
Subsequent Changes	5.4	
User Approval	5.5	
Partial Delivery Payment	5.6	
Receiving Procedure	5.7	
Blanket Order	5.8	
Instructions for Blanket Purchase Orders		5.9

SECTION 6: SHIPPING AND HANDLING

Required Method	6.1	
FOB Destination	6.2	
FOB Plant/Origin	6.3	

SECTION 7: CONTRACTS

General	7.1	
Origin of Contracts	7.2	
Approvals	7.3	
Contracts for Personal Services IRA Requirements		7.4
Contract Administration	7.5	
Contract for Public Improvements	7.6	
Multiyear Contracts	7.7	

SECTION 8: CHANGE ORDERS - ACCEPTANCE - PAYMENT

Change Orders	8.1	
----------------------	------------	--

SECTION 9: PETTY CASH CHECKS

Purpose	9.1	
Policies	9.2	

SECTION 10: PURCHASING CARD PROGRAM

Introduction	10.1	
Purpose	10.2	
How it Works	10.3	
Who Does What?	10.4	
Limitations on Use of Purchasing Card		10.5
Dollar Limitations	10.6	
Other Conditions	10.7	
Prohibited Use of Purchasing Cards		10.8
Allowable Purchases	10.9	
Violations	10.10	
Forms	10.11	
Internet Procurement	10.12	

SECTION 11: METHODS AND PROCEDURES FOR SOURCE SELECTION

Small Purchases - Solicitations for Purchases Not Exceeding \$10,000	
11.1	
Formal Solicitations for Purchases Exceeding \$10,000 (Bids and Proposals)	
11.2	
Non-Responsive Bid Definition	11.3
Responsible Vendor Definition	11.4
Bid Irregularities	11.5
Competitive Bidding Exemptions	11.6
Waiver Process to Formal Competitive Bids	11.7
Cause for Rejection of Bids	11.8
Protested Solicitations or Awards	11.9
Confidentiality	11.10
Disagreements About Recommendations	11.11
Public Works Capital Construction Projects	11.12

SECTION 12: SPECIFICATIONS

Specifications	12.1
Authority for Specifications	12.2
Types of Specifications	12.3
Specifications "Do's and Don'ts"	12.4
Preparation of Specifications	12.5
Changing Specifications	12.6

SECTION 13: PROFESSIONAL SERVICES PROCUREMENT

Purpose	13.1
Authority	13.2
Selection Procedures for Contracting for Professional Services over \$10,000	13.3

SECTION 14: EMERGENCY PURCHASES

Emergency Purchase Definition	14.1
Authority	14.2
Emergency Purchase Procedures	14.3

SECTION 15: SOLE SOURCE DESIGNATION

Authority	15.1
Sole Source Criteria	15.2
Procedures	15.3

SECTION 16: COMPUTER HARDWARE/SOFTWARE PURCHASES

Authority of the Information Services Director	16.1
General Guidelines	16.2
Request and Purchase Procedure	16.3

SECTION 17: VEHICLE AND HEAVY EQUIPMENT PURCHASES

Authority	17.1
General Guidelines	17.2
Overview	17.3

Vehicle and Equipment Specifications	17.4
Bid Evaluation	17.5
Vehicle and Equipment Standards	17.6
Vehicle Identification	17.7
Equipment Transfer and Turn-in	17.8
SECTION 18: COOPERATIVE PROCUREMENT	
General	18.1
Authority	18.2
SECTION 19: CITY PRIVATIZATION AND COMPETITIVE POLICY	
Purpose	19.1
Background	19.2
Policy	19.3
Guidelines	19.4
City's Cost Comparison Methodology	19.5
Public/Private Competition Process	19.6
Computing the Cost of In-House Service Delivery	19.7
Computing the Costs of Contract Service Delivery	19.8
Cost Comparison Form	19.9
SECTION 20: DEFINITIONS	
Definitions	20.1
SECTION 21: PRINTING	
City Print Shop Responsibilities	21.1
Departmental Responsibility	21.2
Contractual Printing	21.3
SECTION 22: DISPOSAL OF SURPLUS PROPERTY	
General	22.1
Policy	22.2
Methods of Disposal	22.3
Allocation of Proceeds	22.4
Sales to Employees	22.5
Documentation	22.6
Disposal of Grant Funded Equipment	22.7
SECTION 23: CENTRAL STORES	
Purpose	23.1
Required Usage	23.2
Stores Catalog	23.3
Stores Requisition Form	23.4
Stores Window Pickup	23.5
Delivery	23.6
Inventory Control	23.7
Inventory Procedures	23.8

SECTION 24: FORMS

Forms List

SECTION I: INTRODUCTION

1.1 Forward:

The Purchasing Division has prepared this Purchasing Manual for use by all departments and divisions of the City of Grand Junction. The purpose of this policy manual is to serve as a promulgated reference for employees to maximize the value of public funds in procurement and to maintain an ethical, quality procurement system.

Competition is the byword. From an economic standpoint, competition in public purchasing is an almost indispensable means for improving the quality of commodity purchases, encouraging innovation among suppliers, increasing the City's latitude of choice and, most importantly, assuring the reasonableness of costs. Competition coupled with standardization and economies of scale will maximize the City's opportunity to obtain the greatest value for the tax dollar.

To develop an effective and efficient procurement program, all personnel involved must work as a cross functional team for the betterment of the City as a whole. Those individuals whose responsibilities require them to become a part of the purchasing cycle must be knowledgeable of the policies and procedures adopted herein as a general framework for ethical procurement practices. Our goal is the promotion of the City's best interest through intelligent activities and fair dealing with the vendor community.

Signed this 4 th day of April, 2001:

Kelly Arnold
City Manager

Ron Lappi
Administrative Services Director

1.2 Purpose of Manual:

The purpose of this Purchasing Policy is to provide for the fair and equitable treatment of all persons involved in public purchasing by the City, to maximize the purchasing value of public funds, to codify and standardize the City's purchasing rules and regulations for orderly and efficient administration, to provide safeguards for maintaining a procurement system of quality and integrity and foster effective, broad-based competition within the free enterprise system.

All City of Grand Junction employees shall familiarize themselves with the regulations set forth and shall adhere to the policies and practices established herewith. The City Manager reserves the right to waive regulations established in this manual if it is determined to be in the best interest for the City of Grand Junction. The City Council shall be notified by the City Manager of any exceptions to purchasing regulations as delineated in the procedures herein.

This Policy Manual has been prepared to serve as an promulgated reference for those employees delegated purchasing authority in the name of the City of Grand Junction. Detailed explanations of individual department's responsibility and role in the procurement function are included with this Manual, as well as in other written Purchasing Procedures as they are developed.

1.3 Centralization of Procurement Authority:

Except as otherwise provided herein, all rights, power, duties and authority, relating to the procurement of supplies, services and construction are vested in the Administrative Services Department, Purchasing Division. The sale and disposal of supplies and equipment are also the responsibility of Purchasing Division. Authority may be delegated only by the Purchasing Division with approval of the Director of Administrative Services and the City Manager within the parameters established in this policy manual.

1.4 Applicability:

This Purchasing Policy shall apply to the procurement of all materials, equipment, construction and services required by all departments of the City. Purchases subject to contracts between the City and other governmental bodies are also excluded. When any procurement involves the expenditure of federal or state funds, the procurement shall be conducted in accordance with any mandatory applicable federal and state laws or regulations.

1.5 Procurement Contrary to this Manual:

Except as may be otherwise provided by law, it shall be **unlawful** for any City officer or employee to order or purchase goods and/or services contrary to the policy of this Manual. **Any procurement or contract so made shall be void and wholly without effect and shall not be binding upon the City.**

1.6 Policy

- A. Competitive sealed bids or competitive proposals, as appropriate, shall be used to facilitate contracts with non-governmental contractors for the purchase or lease of goods, services and/or construction per the limitations of this policy manual.

- B. The disposal of City tangible personal property shall be through an open competitive process to the extent possible. The City may donate surplus property to other governmental entities or non-profit organizations as is in the best interest of the city.
- C. The policy and practices set forth herein are designed to ensure fair and equitable treatment of all persons involved in providing goods, services and/or construction to the City.
- D. It is unlawful to disclose the identity or information derived from competing proposals to any bidder or offeror that might provide an unfair advantage over a competing bidder or offeror.
- E. All City employees are governed by the provisions of this Manual whether directly or indirectly involved in a procurement transaction. Violation of these provisions is grounds for disciplinary action, to include termination and criminal action.

1.7 Responsibility:

- A. City Manager is responsible for the City's purchasing system. This responsibility is delegated through the Administrative Services Director to the Purchasing Manager.
- B. Purchasing Manager is the principal public purchasing official of the City. The Purchasing Manager's responsibilities as enumerated in this Manual (Section 2).
- C. Department Directors are responsible for ensuring their departments' purchasing activities are in accordance with the rules and regulations set forth herein.
- D. **Any purchase or contract entered into by an elected or appointed City official, Department Director or employee that violates the rules and regulations defined in this policy manual shall be the personal and financial responsibility of that individual. Violation of these policies and procedures shall be grounds for disciplinary action to include termination and/or criminal prosecution.**

1.8 Changes:

Any person using this Manual is encouraged to comment and/or recommend changes. Address such in writing to the following:

Purchasing Manager
Division of Purchasing
City of Grand Junction
2549 River Road
Grand Junction, CO. 81505-7209
(970) 244-1533 or FAX (970) 244-1427

SECTION 2: PURCHASING AUTHORITY

2.1 City Council:

- Authority: The responsibility for all purchases made by the City of Grand Junction is held by the City Council. City Council shall authorize the City Manager to establish procurement rules and regulations for all City personnel.

2.2 City Manager:

- Definition: Council appoints City Manager by majority vote; the City Manager is the Chief Executive Officer of the City and shall be responsible for the conduct of all City departments. In the absence of the City Manager, the Assistant City Manager shall be responsible for the conduct of all City departments.
- Authority: The City Manager shall establish the rules and regulations for the procurement of all goods and services and such rules and regulations shall be applicable to all City employees. The City Manager and City Council possess the sole authority for any deviation from purchasing regulations. If improper purchasing practices occur, the City Manager may invoke disciplinary action(s) upon the individual, division and/or department. Disciplinary action may be in the form of restricted purchasing delegation, restitution, suspension, termination or any other form deemed appropriate by the City Manager.
- The following goods and services must be approved by the City Manager's office:
 1. All capital outlay or improvement projects.
 2. Service and maintenance contracts over \$25,000.00 that shall bind the City of Grand Junction.
 3. Insurance contracts.
 4. Other items consistent with policy and/or practice of the City Manager.

2.3 Department Directors:

- Authority: By authority of the City Manager, Department Directors shall be delegated purchasing authority and responsibility as set forth.
- Department Directors are given the responsibility of ensuring that all personnel in their department are knowledgeable of and fully understand purchasing procedures established by the City Manager. By following the requirements established within this Manual, Department Directors may be able to make better use of budgeted funds for their department. **Through proper planning of purchases, so as to allow the Purchasing Division sufficient time to obtain proposals, quotations or bids (with an allowable lead time for delivery), departments shall not only be able to realize savings through competition between vendors, but shall also preclude unnecessary delays.**
- Department Directors may delegate purchasing authority to their employees as required to facilitate the activities within their scope of responsibility. However, the ultimate responsibility remains with the Director for the activities of their subordinate employees.
- If Department Directors have any questions concerning procurement procedures, the Purchasing Manager or any member of the Purchasing Staff is prepared to offer assistance.

2.4 Purchasing Manager:

- Authority: By the authority of the City Manager, the Purchasing Manager is hired by the Administrative Services Director and shall work under his supervision. The Purchasing Manager shall be responsible for the daily operations of the Purchasing Division. The Purchasing Manager shall have the actual authority and power to insure compliance with the contents of this policy manual. It shall be his responsibility to comply with the following:
 - A. Purchase or Contract. To purchase or contract for all supplies and services required by any department, division or authority that derives its support wholly or in part from the City, all in accordance with purchasing procedures as prescribed herein and such rules, regulations and procedures as the Purchasing Manager may adopt for the internal management and operation of the purchasing department together with such other rules and regulations as shall be prescribed by the City Manager and/or the City Council.
 - B. Purchase Authority- Goods and Services: Responsible for the centralized procurement system. Responsible for processing all orders amounting to \$5,000 or more. Competitive quotation activities may be delegated to the Department Director or Division manager/supervisor in accordance with the policies and procedures herein, provided the documentation is provided to the Purchasing Office to file with the original Purchase Order. Purchases under \$5,000 may be accomplished by any City fiscal process, as approved in this manual. Competitive quotations are strongly recommended for all City of Grand Junction Purchases.
 - C. Minimum Expenditure. Act to procure for the City the highest quality in supplies, equipment and contractual services at least expense to the City.
 - D. Encourage Competition. Endeavor to obtain as full and open competition as possible on all purchases and sales.
 - E. Rules and Regulations. Propose amendment for consideration and approval by the City Manager, all City procurement rules and regulations authorized by this Purchasing Manual and others necessary to its operation.
 - F. Purchasing Analysis. Keep informed on current developments in the field of purchasing, pricing, market conditions and new products and secure for the City the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations having national recognition and by private businesses and organizations.
 - G. Forms. Prescribe and maintain such official City of Grand Junction forms as necessary for compliance with this Purchasing Manual. Forms contrived by individual departments/divisions will not be honored by the Purchasing Staff. **Only official City of Grand Junction Purchasing forms shall be used.**
 - H. Vendors' File. Prepare and maintain a file of current and potential vendors for solicitation of bids and proposals. Vendors shall be listed by the commodities and/or services they offer either electronically or manually within the Purchasing Office or in an electronic data base.
 - I. Bulk Purchases. When beneficial to the City maximize the benefits and the possibilities of buying "in bulk" so as to take full advantage of the economy of scales through quantity discounts.

- J. Federal Tax Exemptions. Act so as to procure for the City all Federal tax exemptions to which it is entitled.
- K. Cooperation with Accounting Division. Cooperate with the City's Accounting Division so as to secure for the City the maximum efficiency in budgeting and accounting.
- L. Stores Internal Service Fund. Be responsible for fund management. Exercise direct supervision over the City's print shop and central stores to include general supervision over all inventories required to support the daily activities of the City.
- M. Surplus Property. Sell, trade, auction or otherwise dispose of surplus supplies belonging to the City as is in the best interest of the City.
- N. Cooperative Purchasing: When in the best interest of the City, participate in, sponsor, conduct or administer cooperative purchasing agreements with the State or one or more political subdivisions of the State of Colorado.

2.5 Senior Buyer:

- Senior buyer(s) shall perform procurement functions and miscellaneous assignments as authorized and directed by the City Purchasing Manager. Each buyer shall have specific departmental and commodity group assignments (See 2.10B) and the other buyer(s) will serve as backup support.

2.6 Division Managers (Managers, Superintendents and Supervisors):

- Authority: By authority of the City Manager, Division Managers shall be granted authority and responsibility as set forth in this Section.
- Division Managers shall be responsible for their division expenditures and the resulting paperwork. Through prompt attention to invoices and receipts, the City may take advantage of prompt payment discounts and bills can be paid to avoid late charges. Any damage(s) or shortage(s) on received shipments should be noted on the freight receipt and Purchase Order receiving report. Managers shall ensure that deliveries are carefully accounted, without damage or shortages of merchandise.

2.7 Delegations to Other City Officials:

Notwithstanding the provisions of Section 2 (Purchasing Authority), procurement authority with respect to certain supplies, services or construction may be *delegated* to other City officials by the City Purchasing Manager, when such delegation is deemed necessary for the effective procurement of these supplies, services or construction.

Any Department Director, Manager or authorized employee *delegated* the task to sample or test equipment, uniforms, chemicals, etc., for the purpose of judging suitability or fitness in advance of a purchase, shall notify the Purchasing Division upon receipt of goods to be sampled.

2.8 Expenditure Approval Table:

The following table indicates final approval and/or payment amounts/authorization for City expenditures. The matrix presents types and methods for expenditures on the top horizontal row; the first vertical row indicates dollars to be expended. The remaining boxes indicate the approving authority required to give expenditure approval.

EXPENDITURE APPROVAL MATRIX

Type → Dollars ↓	Expenditures under	Formal Bid/Proposa	Service / Maint.	Unbudgeted or Not Low	Sole Source Purchas
\$\$\$\$\$\$ 1 - 4,999	Division				
	Manager		Division Manager	Department Director	Purchasing Manager
10,000-24,999		Department Director	Department Director	City Manager	City Manager
25,000-49,999		City Manager	City Manager	City Council	City Council
50,000 & Over		City Council	City Council		

NOTE: Authority Matrix applies to material and/or service acquisitions with adequate current year budget appropriations. Unbudgeted expenditures are prohibited except in case of actual emergency.

***REQUISITION WITH APPLICABLE SUPPORTING QUOTE DOCUMENTATION IS REQUIRED. REFER TO SECTION 3, PURCHASING & REQUISITION CYCLE.**

2.9 Purchasing Authority Table:

The following table is to be used as a quick reference to answer the following questions: a) Who makes the purchase on behalf of their department or division; b) What process is used to make a purchase. The matrix presents these questions on the top horizontal row; the first vertical row delineates dollar purchase range. Starting from the left-hand column working to the right explains the purchase process.

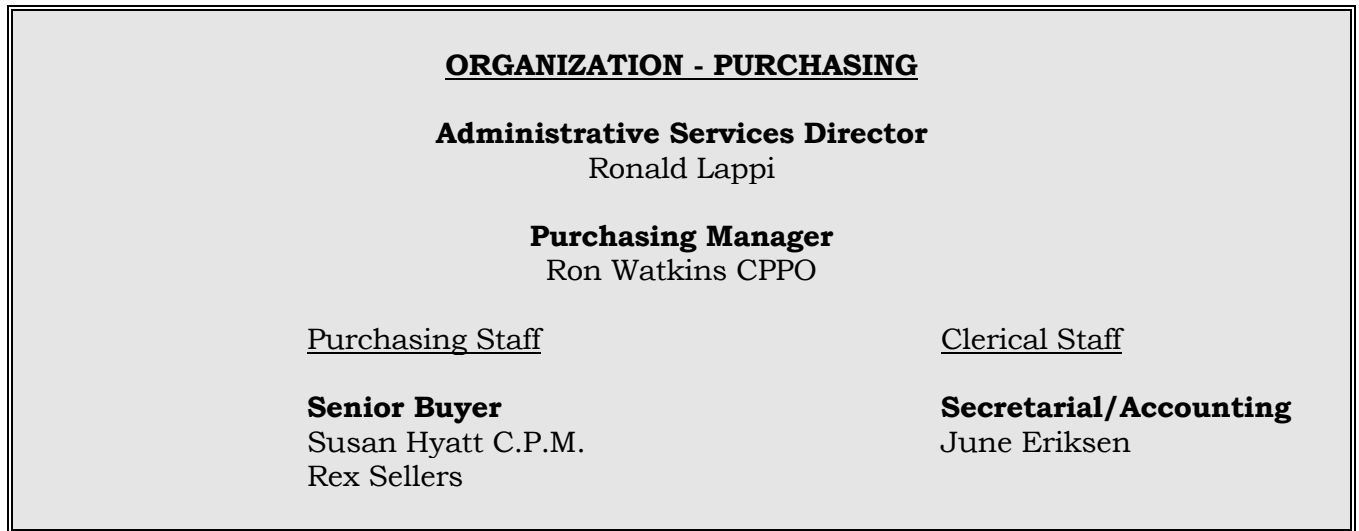
PURCHASE AUTHORIZATION MATRIX

Dollar Purchase Range	Who makes this commodity purchase?	Purchase Process Used
\$1 - \$4,999	City employees as delegated by Division Manager	<ul style="list-style-type: none"> • Purchasing card is preferred to \$2,500. • Direct Pay Document • Purchase Order • Petty Cash Check if < \$100*
\$5,000 - \$9,999	Purchasing Manager Senior Buyers	<ul style="list-style-type: none"> • Purchase Order with documentation of competition (Fax or written quotations)
\$10,000 - \$24,999	Purchasing Manager Senior Buyers	<ul style="list-style-type: none"> • Competitive Solicitations (Public Notice optional)
\$25,000 - \$49,999	Purchasing Manager Senior Buyers	<ul style="list-style-type: none"> • Competitive Solicitations (Public Notice required)
\$50,000 or more	Purchasing Manager Senior Buyers	<ul style="list-style-type: none"> • Competitive Solicitations (Public Notice required)

* **Petty cash checks are to be used only in limited situations where the Purchasing Card, Direct Pay process or Purchase Orders are not accepted or appropriate.**

2.10 Purchasing Division Organization Chart - Assignments:

A. General Authority and Responsibility



B. Purchasing Staff Commodity Assignments

Ron Watkins CPPO, Purchasing Manager

- Overall Supervision of Purchasing Division
 - Purchasing
 - Warehouse/Inventory Management
 - Print Shop
 - Surplus Property Disposal
- Purchasing Manual/Procedures
- Stores Catalog
- City Purchasing Training
- Bidder Applications/Automated Bidder Lists
- Purchasing/Stores/Print Shop Forms Revision & Management
- Standardization of Solicitation Terms & Conditions/Special Provisions/Specifications
- Vendors Guide
- Motor Vehicles and Related Items
- Concession Agreements
- Road and Construction Equipment
- Professional Services (Engineering, Architectural & Other Consulting Services)
- Vending Machines

Susan Hyatt C.P.M., Senior Buyer

- Telephone/Cell Phone service and related items
- Fire Fighting Equipment
- Chemicals
- Janitorial Services and Supplies
- Radio & Communication Equipment and Maintenance
- Computer Peripherals and Related Supplies
- Office Related Items (Furniture, Work Stations, Furnishings, Copiers, Lighting, Microfilm)
- Laboratory Supplies
- Clothing/Uniform Purchases, Rental, Dry-cleaning & Laundry Services
- Law enforcement equipment and supplies
- Graffiti Abatement
- Weed and Rubbish Abatement
- Paper Products
- Print Shop Supplies
- Photographic Equipment/Supplies
- Purchasing Card Authorization & Administration

Rex Sellers, Senior Buyer

- Construction Improvements, Maintenance & Supplies (Paving and Concrete, Painting, Plumbing, Excavating, HVAC, Fencing, Lumber, Roofing, Drywall, Electrical, Horizontal Boring, Welding)
- Safety and First Aid Related Supplies
- Construction Improvements (Buildings, Pipelines, General Construction, Parks, Multiple Discipline Contracts)
- Landscaping/Agricultural Supplies
- Sand, Gravel and Cement
- Traffic Control and Signs and Related Items
- Hardware, Hand-tools and Related Items
- Recreation Equipment and Supplies
- Pools and Related Items
- Fuel
- Commercial Kitchen Equipment/Cutlery

SECTION 3: ETHICS IN PUBLIC CONTRACTING

3.1 General Statement:

The objectives of public procurement include conserving public funds and inspiring public confidence. Any erosion of honesty, integrity and openness is more injurious to public procurement than to most other public pursuits. The appearance of a conflict of interest may be as harmful to public confidence in its government as an actual case of misconduct. For that reason, all personnel involved directly or indirectly in procurement transactions, from the original purchase to the ultimate disposal, must be guided by the highest standards of ethical conduct.

Further, any personal gain other than wages and benefits realized through public employment is a breach of public trust. To the extent that violations of ethical standards of conduct set forth in this section constitute violations of law such shall be punishable as provided by law. Such penalties shall be in addition to the administrative sanctions set forth in this section and the City's Personnel Policy Manual.

3.2 Policy:

No public employee having official responsibility for a procurement transaction shall represent the City in that transaction when the employee knows that:

- A. The employee is contemporaneously employed by a bidder, offeror or contractor involved in the procurement transaction;
- B. The employee, the employee's partner or any member of the employee's immediate family holds a position with a bidder, offeror or contractor, such as officer, director, trustee or partner, has a personal and substantial participation in the transaction or owns or controls more than five percent (5%) of the firm;
- C. The employee, the employee's partner or any member of the employee's immediate family has a pecuniary interest in or arising from the transaction;
- D. The employee, the employee's partner or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment with a bidder, offeror or contractor;

3.3 Vendor Requirements:

The City of Grand Junction stipulates certain ethical requirements for Vendors participating in procurement transactions. Those statements are generally stated as follows:

- A. No bidder, offeror, contractor or subcontractor shall confer upon any public employee having official responsibility for a procurement transaction any payment, loan, subscription, advance, deposit of money, services, present or promised;
- B. All bidders, offerors, contractors or subcontractors shall complete a disclosure of interest form to inform of any personal interest of any public official with respect to any city procurement;
- C. Failure to make the required disclosure may result in disqualification, disbarment, suspension from bidding and rescission of contracts;

- D. 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; and
- E. Architects or engineers employed by the City may not furnish building materials, supplies or equipment for any structure on which they are providing professional services. The City also does not accept bids or proposals from consultants or bidders who have solely and directly prepared specifications for a specific requirement, regardless of whether the consultant/bidder was paid for the specification.

3.4 Gratuities and Kickbacks:

- A. Gratuities. It is a breach of ethical standards for any person to offer, give or agree to give any employee or public official a gratuity or offer of employment or employment in connection with any decision or recommendation concerning a possible or actual purchase by and/or on behalf of the City.
- B. Kickbacks. It shall be unethical for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract and solicitation thereof.

3.5 Confidential Information:

It shall be a breach of ethical standards for any employee or public official to knowingly use confidential information for his or her personal gain or the personal gain of others.

3.6 Employee Personal Purchases:

It is a breach of ethical standards for any employee or public official to solicit or request personal monetary discounts from vendors based on employment with the City of Grand Junction.

3.7 Purchases from Employees (No extra compensation):

No officer or employee shall solicit or receive any pay, commission, money, or thing of value, or derive any benefit, profit or advantage, directly or indirectly, from or by reason of employment by the City, except his lawful compensation or salary as such officer or employee.

3.8 Public Disclosure Record:

State statutes codified at C.R.S. 31-4-401 et. seq. and 24-18-101 et. seq., these statutory requirements allow the City to accept a bid, quotation or proposal which complies with the City's procurement policies and procedures, and is the lowest received in an competitive open process, even if the bidder is an employee or officer of the City, if the employee or officer has disclosed real or potential conflicts of interest and has abstained from voting on related issues. To qualify an employee or officer shall Public Disclosure Record (PDR) outlining the individual's financial interest. PDR forms are available by contacting the City Purchasing Manager. Completed forms shall constitute a public record filed in the Office of the City Clerk.

3.9 Sanctions:

- A. *Employees.* The City Manager may impose any one or more of the following sanctions on a City employee for violations of the ethical standards set forth in this Section: and the Personnel Policy Manual.
1. Oral or written warnings or reprimands;
 2. Suspension with or without pay for specified periods of time; or
 3. Termination of employment.
- B. *Non-employees.* The City Manager may impose any one or more of the following sanctions on a non-employee for violation of the ethical standards.
1. Written warnings or reprimands;
 2. Termination of Contracts; or
 3. Disbarment or suspension for cause from consideration for award of contracts.

SECTION 4: PURCHASING AND REQUISITIONING CYCLE

4.1 Introduction:

The core of the central purchasing system is the Purchase Requisition. Requisitions are required for all procurement transactions of **five thousand dollars (\$5,000) or more**. For acquisition of goods and services under \$2,500, the preferred method of processing is the City Purchasing Card or the Direct Payment process. If properly utilized, the requisition can save the City time, money and avoid duplication. The requisition authorizes the Purchasing Division to begin the research and procurement process for the fulfillment of the purchase. By following proper procedures, departments can expedite the process and also avoid the more expensive impulse and/or emergency purchase. **The Purchasing Division is not authorized to act in behalf of the department or division until the receipt of the requisition. The Purchasing Division will act on any requisition received electronically on the finance system. It is assumed the appropriate authority in the department/division has approved the action if the requisition is received in the Purchasing Office.**

4.2 Purchasing Cycle (\$5,000 plus):

The purchasing cycle can be divided into seven basic steps:

<u>Steps</u>	<u>Departments Involved</u>
1. Need is recognized	Originating Department
2. Electronic Banner Requisition completed	Originating Department
3. Pricing	Originating Department/Purchasing
4. Ordering	Originating Department/Purchasing
5. Receiving/Quality Control	Originating Department/Purchasing
6. Payment	Accounts Payable
7. Disposal of Surplus/Obsolete Property	Originating
Department/Purchasing/Accounting	

Purchasing relies on each department to complete the first two steps. In steps 3 and 4, Purchasing follows City procurement policy which results in issuance of a purchase order or execution of a contract. Step 4 may be completed by the originating department when ordering sophisticated and/or technical equipment. Step 5 may rests with the central Stores or, when appropriate, the originating department. Step 6 combines the efforts of the originating department and Accounting. Purchasing handles the final step. Please notify Purchasing if you need to dispose of any City property.

4.3 Anticipation of Need:

Requesting departments should prepare the requisition far enough in advance so ordinary purchases do not become emergencies. By planning and forecasting purchases in advance, the Purchasing Division, vendors and requesting department may realize the advantages of soliciting competitive quotations, bids or proposals.

Required delivery dates on goods and services vary greatly and order requisitions should be prepared accordingly. Departments should realize unnecessary work delays could be created if order requests are not presented in a timely manner so to ensure proper purchasing procedures are accommodated needed delivery dates are met. Lack of planning on the part of the using department shall not be translated into lack of customer service on the part of the Purchasing Division.

4.4 When to Use a Purchase Requisition:

Requisitions (Banner Form FPAREQN) are preferred for all commodity purchases of **\$5,000 or more**.

4.5 How to Prepare a Purchase Requisition:

The department needing/desiring a product or service should complete a Banner (on-screen) Requisition Form. The Banner Requisition Form (FPAREQN) consists of five (5) pages. This form initiates the procurement process and defines the requestor, vendor, commodity and accounting information. Access to the form is from the Request Processing Menu (FINREQST). **Funds for the purchase must have already been approved through the City's budget process to use this form.** The Requisition Form should include detailed specifications on the equipment, service or product that is needed. **Any supplemental or detailed information shall be forwarded to Purchasing via E-mail, FAX (244-1427) or inter-office mail.** The supplemental information may include specifications and suggested vendors. **Reference the Banner Requisition number on all supplemental information.**

The department enters the requisition into Banner System with an expected/necessary delivery date, charge number, complete description and estimated pricing along with any suggested or potential vendors. Description of the needed material or service is vital to the procurement process. Give a clear description of the item desired as to size, color, type, grade and any other pertinent information. If the purchase requires formal detailed specifications, Purchasing shall request from the department such technical assistance as may be required in preparing the specifications.

Consider the following rules when initiating a requisition:

Who: Who needs it? Who shall receive the good or service? Who shall administer the contract and assure compliance by the Vendor? Who are recommended Vendors? Who is authorized to approve the Requisition?

What: What is needed? What are the critical features that the agency must have? What funds shall be used to pay for the item? What is the budget estimate? What are the criteria for acceptance or rejection?

Where: Where must the item be delivered? Where shall it be used?

When: When must the item arrive? When shall the agency be open to receive the item?

Why: Why is the item needed? Why is the delivery time important? Why are certain features important?

How: How is the item to be used? How is it to be packaged for delivery?

State the purpose for which the items or service is to be used, for example, "install walk light at 12th and North Avenue." In the case of requisitioning material or service for a specific piece of equipment, indicate the identity, such as, Chevrolet Patrol Car - vehicle #2241.

After the requisition is accurately and fully completed, the requisition documents are routed electronically, by Fax or inter-city mail, to Purchasing for appropriate action.

Hard-copy requisitions (Form C) require the above information. **However the Banner Finance Requisition is the preferred method to initiate an order above \$5,000.**

4.6 Purchasing Division Responsibility:

Purchasing shall review all requisitions and proceed according to City purchasing rules and regulations (and other applicable professional purchasing practices) to acquire goods or services in a timely manner.

Purchasing shall process all justifications and purchase recommendations to the City Manager and City Council prior to award of the purchase order as required.

Purchasing staff shall prepare all bidding documents, including the final specifications; a copy shall be forwarded to the department for review at the same time the bids are sent out. Any clarifications or changes shall be transmitted to potential vendors by a written addendum.

4.7 Timetables:

The following are approximate timetables for the purchasing cycle from receipt of the requisition to completion of the purchase order. Factors affecting this timetable may include workload, complexity of requisition, number of items requisitioned, clarification of specifications or requirements, approvals or problems. Timeliness can also vary depending on availability of goods from State bids or previous contracts.

<u>Dollar Threshold</u>	<u>Method</u>	<u>Response Time</u>
Under \$5,000	telephone telephone/fax quotes	No Purchase Order required
\$5,000 - \$10,000 work days *	informal written quotes/fax	Purchase Order issued within 5
10,000 - \$24,999	written solicitation	Purchase Order issued within
45 - 60 days.		
Over \$25,000	solicitation w/public notice	Purchase Order issued within
45 - 60 days.		

- **IF QUOTATIONS ARE OBTAINED BY THE USING DEPARTMENT/DIVISION**

SECTION 5: PURCHASE ORDER

5.1 Purpose:

A purchase order is a document that states the terms and conditions of a proposed transaction and creates a contractual relationship between a vendor and the City. It describes the quantity and quality of the required goods and includes other information, such as shipping terms, delivery dates and location, prices quoted in the bid and, for internal clerical purposes, the number of the corresponding purchase requisition. The purchase order shall encumber the applicable appropriations account.

5.2 When to use Purchase Order:

Purchase orders are required for all invoiced purchases of commodities, materials or supplies and services with an expected expenditure of City funds of **five thousand (\$5,000) or more unless previously approved by the Purchasing Manager.**

5.3 Process:

Purchasing Division personnel shall enter **all purchase orders** in Banner Finance System.

5.4 Subsequent Changes or Cancellations:

Whenever a change of any kind on a purchase order is required, the originating department shall forward a **Purchase Order Change Request Form** (Form I) or memorandum that provides the information to be changed and a justification for doing so. Requests shall be directed to Purchasing via FAX (244-1427), phone, E-mail or inter-office mail. **NOTE: Only Purchasing is authorized to change and/or cancel the original purchase order. Purchase orders with activity, i.e. partial delivery or payment, can not be canceled.**

5.5 User Approval:

Purchase Orders must be approved for payment in accordance with final approval authority requirements set forth in Section 2.

5.6 Partial Delivery Payment:

If partial delivery of materials and/or services is made and a partial payment is to be made, departments shall complete and forward the **Partial Payment Authorization Form** (Form H) along with the any document received with the order to Purchasing. Purchasing shall process all partial payments and note the expenditure on original P.O. **Do not create another P.O. to make a partial payment or enter a Direct Pay Document. Either action will create a duplicate encumbrance.**

5.7 Receiving Procedure:

When the material or service is delivered to the department, the authorized agent of the department, as assigned by the Department Director, shall inventory and inspect the delivery to ensure the material(s) and/or service(s) are as listed on the shipping document and are in acceptable condition.

If all materials are received in acceptable condition, the receiving department/division shall submit the invoice for approval to their authorized department/division personnel who then process the invoice for payment. They must process the payment through the Accounts Payable system using the Banner Invoice/Credit Memo Form (FAAINVE) and selecting "Regular" instead of "Direct Pay". This allows the invoice to be paid against the purchase order. Discounts and additional charges such as freight may be entered through this form. The approved invoice must be signed and the words "OK TO PAY" written on the face of the invoice. Forward a copy of the Purchase Order with the signed invoice to Accounts Payable for payment processing.

If all materials are received in acceptable condition, the receiving department shall notify Accounts Payable by use of the Banner Invoice/Credit Form (FAAINVE) which enables receipt information to be entered into the system for commodities ordered through the purchase order process. The approved invoice shall be sent through the City inter-departmental mail to Accounts Payable. The "I" number of the receiving goods form must be noted thereon for reference of the Accounting clerk.

If materials and/or services received are damaged or defective, they should not be used. If possible, notation should be made upon the receipt in the presence of the delivery agent. Departments shall notify Purchasing immediately when damaged or defective commodities are received. For more explicit receiving guidelines see Subsection 17.2

5.8 Blanket Order:

Blanket orders permit the Purchasing Division to perform its primary function of obtaining City requirements. It also eliminates the necessity for the Purchasing Division to be involved in each individual purchase; paper work is reduced and, at the same time, necessary control is maintained.

Annual purchasing agreements, also known as blanket orders and term contracts are agreements established with suppliers to allow individual purchases by the City throughout the year without going through the purchasing competitive process each time a purchase is made. At the same time blanket orders take advantage of volume discounting based on the annual estimated quantities purchased by the City.

Blanket orders do not commit the City to purchase any merchandise or service from the vendor. They are issued to advise the vendor of the merchandise and/or service we may require, establish terms and pricing where applicable, establish dollar limits, either per release or per month, establish personnel authorized to make releases against these orders and outline the ordering, receiving and invoicing procedure. Any merchandise and/or service properly released and shipped against a blanket order is covered by the terms and conditions of the blanket order.

Only the Purchasing Division shall issue blanket Purchase orders. Prices shall be established as part of each blanket order, per the policies in this manual. Pricing information shall be given to the Accounting Department to insure correct payment is made to the participating vendor.

Requests for the issuance of blanket orders by the Purchasing Division shall be made by departments having needs that are applicable to blanket orders. It is the responsibility of each department to determine the approximate quantity needed and estimated amount that shall be spent during the fiscal year for a particular product category or products.

It must be clearly understood by all individuals authorized to make releases against blanket orders that there shall be strict adherence to the provisions established in the blanket order, with no exceptions.

It is the Purchasing Division's responsibility to make the vendor fully aware of the procedures of the blanket order and that the vendor complies with the procedures. It is also the Purchasing Division's responsibility to provide adequate information and instructions to the departments and individuals involved in the use of the blanket order.

5.9 Instructions for Blanket Purchase Orders:

- A. Releases against blanket orders can be made verbally with no written confirmation or by telephone call after the employee has received proper approval. Employee(s) shall identify themselves and provide the following information: service or description, part number if applicable, quantity, required date, point of delivery and blanket order number.
- B. Vendor shall prepare a delivery or counter ticket showing the above information.
- C. Tickets shall be approved by a department supervisor responsible for the expenditure or his/her authorized representative.
- D. All invoices (tickets) must be identified with the number of the blanket purchase order prior to them being sent to the accounting department. These invoices (tickets) shall be matched to a copy of the blanket purchase order. Authorized signatures shall be placed on each ticket with the words "OK TO PAY" prior to sending to Accounting.
- E.. No back orders shall be permitted under this procedure. If a partial shipment of any item is delivered, the order shall be considered as complete and the buyer must reorder.

SECTION 6: SHIPPING AND HANDLING

6.1 Required Method:

The City's preferred shipping and handling term is ***FOB Destination(Grand Junction)***.

6.2 FOB Destination (Free on board destination):

FOB Destination means the Vendor maintains title for the goods until the Purchaser receives them. The Vendor pays the shipping costs and is responsible for claims against the Carrier.

6.3 FOB Origin:

Accepting a quote of FOB Origin has consequences for the City if the shipment is lost or damaged. FOB ORIGIN means the Purchaser accepts title to the goods from the moment they are picked up by the Carrier. The Purchaser pays shipping costs and is responsible for claims against the Carrier.

SECTION 7: CONTRACTS

7.1 General:

Contract shall mean any agreement enforceable by law between the City and one (1) or more outside parties, regardless of form or title, for the procurement of materials, services or construction. To be effective, a contract must include offer and acceptance by competent parties and the furnishing of some good or service for an agreed monetary consideration.

7.2 Origin of Contracts:

Contracts may be originated in several ways before they are used by the City.

- A. State Contracts and Price Agreements: Under a permissive State law (24-110-101 et. seq.) CRS, the City may purchase from State contracts and price agreements. These contracts are entered into by the State of Colorado, Department of Administration, Division of Purchasing or other State departments with contractual authority. If these agreements have a clause acknowledged by the contractor, they may be used by other political jurisdictions, such as the City. When available and in the best interest of the City, the Purchasing Manager may forego the bid process and purchase directly from the State award vendor(s).
- B. Cooperative Purchase Contracts. These contracts are created by a voluntary pooling of interests by governmental units. If required by the bid documents or if the contractors agree, they may be used by other political jurisdictions, such as the City. When in the best interest of the City, the Purchasing Manager has authority to “piggyback” such agreements for the acquisition of supplies and services without going through the formal bid/proposal process. Final authorization shall adhere to Section 2 requirements.
- C. City Contracts. These contracts are specifically procured by the Purchasing Division either for City-wide purposes or for a specific department. City contracts shall be prepared in triplicate; completed contracts shall be filed with the contractor/vendor, City clerk's office and the Purchasing Division.

7.3 Contract Approval:

- A. Only the City Manager, his designated representative, Department Directors and their designated representatives and the Purchasing Manager and his designated representative are authorized to sign contracts which bind the City for the procurement of goods, services, insurance or construction, unless a specific delegation or exemption is made by City Council by resolution, code, regulation or letter of authority to another official or employee. Approval thresholds are as delineated in section 2.1 through 2.9 in this policy manual.

NOTE: GRANTS AND OTHER DOCUMENTS REQUIRING THE CITY MANAGER'S APPROVAL, BUT NOT THAT OF PURCHASING, SHALL BE PROCESSED IN ACCORDANCE WITH INSTRUCTIONS FROM THE CITY MANAGER'S OFFICE.

7.4 Contracts for Personal Services:

- A. Before requisitioning approval of an individual to provide personal services to the City, the Department should be certain that no violation of law, including but no

limited to Internal Revenue Service (IRS) regulations, will occur. Care must be taken to make sure the personal service contract does not establish an employer-employee relationship with the City.

- B. Generally, the following tests support a personal service contract with an individual:
- The individual has performed similar services on a contractual basis with other clients;
 - The individual has paid tax withholding and social security withholding as a self-employed person and agrees to do so during its contract with the City; and
 - The individual shall perform the duties independently without direct detailed supervision by the City to include independence in establishing work hours and location of performance of duties.

7.5 Contract Administration:

- A. Departmental contracts shall be administered by the using agency. The Department Director is responsible for designating the contract administrator (a.k.a. project manager or project coordinator) prior to the solicitation of personal service contracts. Public works projects shall be administered by the City Engineer or designee.
- B. The departmental contract administrator shall be responsible for assuring that the contractual relationship is completed successfully and in accordance with contract terms and conditions. The contract administrator may or may not be a City employee.
- C. Among the activities of a contract administrator is the following:
- (1) Inspecting, accepting and recording contractor performance,
 - (2) Communicating to and with contractors the City's requirements,
 - (3) Evaluating contractor performance,
 - (4) Notifying Purchasing promptly of any disputes, failures to perform or other problems with contractors,
 - (5) Documenting all activities of the contract and assuring copies of important documents are retained and/or forwarded to purchasing, and
 - (6) Processing payments and contract close-out documents.
- D. It shall be the Purchasing Division's responsibility to:
- (1) Maintain the City's record file of the contract,
 - (2) Review and approve all requests for changes in delivery, price or specification *before* any action is taken by the Department or contractor,
 - (3) Create Purchase Order and make partial to final payments with contract administrator's approval,

- (4) Resolve disputes with Contractors,
- (5) Issuing Cure Notices, demand letters and contract default/termination notices to Contractors, and

7.6 Contracts for Public Improvements:

- A. Contracts for Public Improvements (construction) shall be let in accordance with City of Grand Junction bidding procedures. These contracts are subject to approval in accordance with the authorization limits stated herein.
- B. When a contract for public improvements is awarded in excess of fifty thousand dollars (\$50,000), the following bonds or security shall be delivered to the City and shall become binding on the parties upon execution of the contract:
 - 1. A **performance bond** satisfactory to the City, executed by a surety company authorized to do business in the State of Colorado or otherwise secured in a manner satisfactory to the City, in an amount equal to one hundred percent (100%) of the price and/or compensation specified in the contract; and
 - 2. A **payment bond** satisfactory to the City, executed by a surety company authorized to do business in the State of Colorado or otherwise secured in a manner satisfactory to the City, for the protection of all persons supplying labor and material to the Contractor or its Subcontractor for the performance of the work provided for in the contract. The bond shall be in an amount equal to one hundred percent (100%) of the price and/or compensation agreed to in the contract.
- C. Nothing in this section shall be construed to limit the authority of the City to require a performance bond or other security in addition to those bonds or in circumstances other than those specified.

7.7 Multiyear Contracts:

Unless otherwise provided by law, a contract for supplies or services may be entered into for a period of time deemed to be in the best interest of the City, if conditions of renewal or extension are included in the solicitation. Payment and performance obligations for succeeding fiscal years shall be subject to availability and appropriation of funds thereof.

When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year, the contract shall be canceled and the Contractor may be reimbursed for the reasonable value of any non-recurring costs incurred but not amortized in the price of the supplies or services delivered under the contract.

Annual service and product contracts may be renewed by the Purchasing Manager and Department Director up to two (2) additional contract periods, based on satisfactory performance of the contractor.

SECTION 8: CHANGE ORDERS - ACCEPTANCE - PAYMENT

8.1 Change Orders:

- A. **General:** The purpose of this section is to delineate the authorities and procedures of the City's change order control system.
- B. **Purpose:** The purpose of a change order is to recognize changes occur on jobs that may result in amendments to the project time schedule and/or cost. Change orders that affect time schedules shall be approved by the appropriate Department Director. Change orders that result in additional costs shall comply with the authority thresholds set forth in this section; these thresholds apply to both the design phase (professional service agreements) and construction phase (construction contract).
- C. **Change Orders - Public Improvement Projects/Construction:**
 - 1. One (1) or more change orders to an existing public works construction contract which do not exceed the cumulative cost of twenty-five percent (25%) of the original contract awarded pursuant to an Invitation for Bids or Request for Proposals may be executed with the existing contractor and shall not require a bid or proposal process.
 - 2. Any construction change order, which authorizes an improvement under a construction contract, may be executed without competition when:
 - a. The improvement is required for the completion of an improvement that is currently under construction pursuant to a competitive bidding or competitive proposal process;
 - b. The improvement results from the unforeseen physical conditions at the site of the improvement under construction and is required for the completion of the improvement under construction; and
 - c. A written finding has been made by the City Engineer, or his designee, that it is in the City's best interest to negotiate with a specific, generally on-site, contractor for the construction of the improvement(s).
- D. **Authority to execute Public Works Change Orders and Dollar Thresholds:**
 - 1. If the original contract allows for contract modification and the requested change shall increase the contract amount by \$50,000 or more and the aggregate of change orders, including the proposed change order, plus the original contract amount are less than the budgeted amount of that contract and/or project, the change shall be approved in advance by the City Council.
 - 2. If the original contract allows for contract modification and the requested change in contract amount is \$25,000 and less than \$50,000 and the aggregate of change orders, including the proposed change order, plus the original contract amount are less than the budgeted amount of that contract and/or project, the change order shall be approved in advance by the City Manager.
 - 3. If the original contract allows for contract modification and the requested change is less than \$25,000 and the aggregate of change orders, including the proposed change order, plus the original contract amount are less than the budgeted amount of that contract and/or project, the change shall be approved in advance by the requesting agency's Director.

4. Unbudgeted change orders require funding source approval by the City Manager before the requested change may be authorized or approved by the appropriate authority. The City Manager may forward funding source requests to City Council for consideration.

E. Procedures:

1. A Request for Change Order (Form J) must be completed and approved before any change order is effective. Funds shall be encumbered after approval of the change order. The hard-copy format shall be prepared by the requesting agency's project manager or contract administrator and shall contain sufficient information to justify the change (i.e., contractor proposals, cost and pricing data, etc.) and source of funding.
2. Attach request to any other necessary documentation including standard change order forms provided by vendors, project managers and professional consultants. The authorizations of the project architect/engineer and/or construction manager *must* be secured prior to forwarding to the Purchasing Manager.
3. Purchasing representative shall be responsible for returning authorized documents to the originating department.

CAUTION: All personnel working with contractors must be cautious about making "constructive changes" based upon their "apparent authority." Such changes might result from an innocent statement, such as, "I would like to see you do...." When the contractor proceeds to perform what it considered an instruction and bills the City for the change, a dispute may arise because the change was not properly approved and funds are not available for it. Making such statement(s) may be create personal liability for the charges and be grounds for disciplinary action.

F. Change Orders - Non-Construction:

Any change in price or terms of a contract or purchase order shall be authorized only by the Purchasing Manager after review of the circumstances. Department personnel may be held personally liable for unauthorized changes that result in increased charges to the City.

SECTION 9: PETTY CASH CHECKS

9.1 Purpose:

Petty Cash Checks are used for purchases of less than One Hundred Dollars (\$100.00) when funds are needed immediately and a City purchasing card cannot be used.

9.2 Policies:

Petty Cash Checks shall be issued to authorized Department/Division personnel by the Accounting Division.

1. Checks are not valid for amounts greater than \$100.00.
2. Checks should only be used when no other means of payment is available.
3. Multiple checks written to pay for a transaction that is in excess of \$100.00 is not allowed.
4. Checks must be made out for the exact amount of the purchase.
5. A Petty Cash Check should not be used to pay a billed invoice.
6. Petty Cash Checks shall not be written to City employees unless signed by authorized City Accounting personnel.

When using Petty Cash Checks, compliance with City purchasing regulations is required. Division Managers/Supervisors issuing blank checks to employees are responsible for ensuring:

1. **The items are not available in City Stores.**
2. The expenditure is necessary.
3. The account being charged is proper and adequate funds exist.
4. The item(s) purchased is received and used for City purposes
5. **That no check is written to a City employee unless signed by authorized City Accounting Division personnel.**

If any check is lost or stolen, the Accounting Supervisor is to be notified immediately.

9.3 Process:

The checks are two-part with the top part consisting of the check and the documentation (item description, account number and net cost). The second copy is a yellow duplicate of the front copy to be kept as the using department's record. The check is to be filled out completely and correctly. Attach the receipt with the top part (documentation) of the check and forward to the authorized department/division personnel for entry into the Banner system using the Petty Cash Invoice form (FWAPCCK). The top part (documentation) with the receipt attached is then to be forwarded to the Accounting Division within two working days after the check has been issued.

Petty Cash Checks are issued in groups of ten (10) with a register. As a check is used, it is recorded on the register. When all checks in a group of ten have been used, the register shall be reviewed and signed by the Division Manager/Supervisor responsible for the checks and forwarded to the Accounting Division.

If an item is to be returned for credit, a copy of the original check (part two) and the credited funds shall be returned to the Accounting Division with a notation outlining the circumstances.

The checks are two-part with the top part consisting of the check and the documentation (item description, account number and net cost). The second copy is a yellow duplicate of the front copy to be kept as the using department's record. The check is to be filled out completely and correctly. Attach the receipt with

the top part (documentation) of the check and forward to the authorized department/division personnel for entry into the Banner system using the Petty Cash Invoice form (FWAPCCK). The top part (documentation) with the receipt attached is then to be forwarded to the Accounting Division within two working days after the check has been issued.

Petty Cash Checks are issued in groups of ten (10) with a register. As a check is used, it is recorded on the register. When all checks in a group of ten have been used, the register shall be reviewed and signed by the Division Manager/Supervisor responsible for the checks and forwarded to the Accounting Division.

If an item is to be returned for credit, a copy of the original check (part two) and the credited funds shall be returned to the Accounting Division with a notation outlining the circumstances.

SECTION 10: PURCHASING CARD PROGRAM

10.1 Introduction:

The City of Grand Junction Purchasing Card Program is designed to improve the efficiency in processing small dollar purchases from any vendor that accepts the MasterCard® Purchasing Card. This program shall allow the cardholder to purchase approved commodities and services directly from our vendors. Each purchase card is issued to a named individual. Under special conditions upon written request, a Department Card may be issued in areas that do not require the employee to have a card on a daily basis. Contact the Purchasing office for details. The City of Grand Junction is clearly identified on the card as the "Corporate" buyer of goods and services. Purchases are exempt from sales tax.

The Purchasing Division and Accounting Division shall monitor the performance of the program. All questions or concerns shall be directed to:

Procurement Related:	Ron Watkins CPPO	244-1534
	Susan Hyatt C.P.M.	244-1513
or		
Accounting Related:	Kim Martens	244-1522

10.2 Purpose of Card:

The purpose of purchasing card guidelines and policies is to accomplish the following:

- Reduce the cost of high volume, low dollar amount transactions. The program helps reduce the use of field checks, cash advances and small dollar purchase orders.
- Provide an efficient method of purchasing and paying for commodities and services.
- Reduce field crew travel time involving purchases.
- Reduce paperwork.
- Develop reasonable and enforceable policies, procedures and audit controls. The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather the program compliments the existing processes available.
- Increase the number of vendors immediately accessible by the City of Grand Junction.
- Improve management reporting on low dollar amount transactions.
- Provide for disciplinary action if the purchasing cards are misused.

- Ensure that the City bears no legal liability for inappropriate use of the purchasing card.

NOTE: The policies and procedures provided herein are minimal standards for Departments. Department Directors may establish additional controls.

10.3 How It Works:

The purchasing card program simplifies the procurement/disbursement process. Procurement responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with the vendor.

When the supplier at the point-of-sale requests a purchase authorization, the MasterCard purchasing card system validates the transaction against preset limits established by the employee's Department Director or Division Manager. All transactions are approved or declined electronically based on the purchasing card authorization criteria established. The authorization criteria may be adjusted periodically as needed and may include, but not be limited to, the following:

- Number of transactions allowed per day, week or month
- Single transaction limit (varies by card)
- Monthly spending limit
- Approved merchant category codes

The authorization process occurs through the electronic system that supports the purchasing card processing services under the City's agreement with the bank that issued the City's MasterCard, Wells Fargo Bank.

10.4 Who Does What?

The following is a summation of the responsibilities of the individuals and agencies involved in the purchasing card program.

Department Director/Division Managers:

- Request purchasing cards for designated employees.
- Set Departmental spending limits within established guidelines.
- Designate representatives responsible for authorizing charges.
- Collect cards from cardholders that end employment.
- Evaluate the need to cancel or reissue cards when employees transfer.
- Notify the Purchasing Card Administrator of cards that must be terminated.
- Comply with all purchasing and purchasing card policies and procedures.

Cardholder:

- Hold and secure purchasing card.
- Ensure availability of funds and proper account codes.
- Order/Receive materials and services.
- Make sure there are no sales tax or no back-orders.
- Collect and save sales receipts.
- Handle disputed items.
- Match receipts with bi-weekly card activity statement.

- Review bi-weekly statements for validity of all departmental transactions.
- Process all billing statements in a timely manner.
- Review bi-weekly expenditures with cardholder's Immediate Supervisor.
- Comply with all purchasing and purchasing card policies and procedures.
- Cancel lost or stolen cards by notifying the Purchasing Card Administrator and your department/division manager.

Department Liaison (designated by Department Director)

- Timely collection of all bi-weekly activity statements for the department or division(s) to be processed for account debiting.
- Review bi-weekly statement of each assigned cardholder to ensure inclusion of necessary receipts.
- If cardholder is non-exempt employee, confirm that appropriate supervisor authorizes all charges.
- Make sure there are no sales tax or no back-orders.
- Ensure availability of funds in proper account codes.
- Verify appropriateness of account codes (i.e., Fund-Orgn-Acct-Prog-Actv).
- Process (**Banner entry**) all cardholder activity statements in a timely manner.
- Forward activity statement(s) and supporting receipts to Accounts Payable Division.
- Comply with all purchasing and purchasing card policies and procedures.

Accounting Division:

- Monitor charges for proper account codes and fund availability
- Receive consolidated summary statements every two weeks from Purchasing Card Administrator.
- Bi-weekly, receive processed activity statements from departmental liaisons and balance with City's summary statement.
- Notify departmental liaisons when activity reports are not entered or received in a timely manner.
- Balance bi-weekly summary statement with cardholders activity reports for the same time period.
- Journal entries as required.
- File and store statements, receipts, etc.
- Administer 1099 reporting.
- Monitor missing documentation and notify the Purchasing Card Administrator.
- Notify the Purchasing Card Administrator of any violations or discrepancies.

Purchasing Card Administrator and Purchasing Division:

- Coordinate program policy issues.
- Create and maintain cardholder hierarchy for control and reporting purposes.
- Create and maintain supplier database.
- Receive all cardholder activity reports and distribute same.
- Receive bi-weekly summary statement to be balanced with cardholder activity and forward to A/P.
- Create dollar transaction limits for cardholders, oversee any necessary and required modifications.
- Process properly authorized card requests and card strategy changes.
- Assign merchant codes to particular card strategies and change when in the city's best interest.
- Issue list of authorized merchant/commodity codes to cardholders.

- Block merchant/commodity codes when appropriate.
- Initiate training program for all cardholders.
- Coordinate issuance and cancellation of cards.
- Target new cardholders and expanded use of cards.
- Maintain policy and cardholder guides/manuals.
- Maintain purchasing card software data base.
- Evaluate purchasing card feedback from suppliers and from departments.
- Coordinate and maintain internal controls.
- Assist in resolving billing disputes, if required
- Monitor use of cards and selection of vendors.
- Participate in ongoing program reviews.
- Conduct semi-annual inventory of purchasing cards.
- Provide cardholders all relative information regarding card-use policy and procedures.

10.5 Limitations on Use of Purchasing Card:

- A. Cardholder Use Only: only the employee whose name is embossed on the card may use the card. No other individual is authorized to use the card. Department cards are the exception, which are checked out for immediate use and purchases made as directed by the department supervisor.
- B. City Purchases Only: The card is to be used for City authorized purchases only. The purchasing card cannot be used for any personal use and any such use shall require immediate reimbursement and shall result in disciplinary action which may include dismissal.

10.6 Dollar Limitations:

- A. The Department Director approving the assignment of a purchasing card shall set single purchase limits, as well as daily and monthly limits. The individual purchase limit and/or the daily limit are the same amount. The maximum single purchase limit is two thousand five hundred dollars (\$2,500). Maximum allowable monthly limit is ten thousand dollars (\$10,000). Requests for spending limit changes must be initiated by the Department Director or Division Manager and approved by the Purchasing Card Administrator.
- B. A purchase may be made of multiple items, but the invoice cannot exceed \$2,500 or the cardholders limit if it is less. Payment for purchases must not be split to stay within the single purchase limit.

10.7 Other Conditions:

- A. All items purchased over-the-counter must be immediately available. **No back ordering is allowed.**
- B. All items purchased during one telephone or FAX transaction must be delivered in a single delivery. If an item is not immediately available **no back ordering is allowed.**
- C. All items purchased by telephone, on the Internet or FAX must be delivered by the vendor within twenty-eight days (two billing cycles). An order shall not be placed without this assurance.

10.8 Prohibited Use of Purchasing Cards:

The following types of items **MAY NOT** be purchased with a City purchasing card, no matter the dollar amount.

- Any item exceeding \$2,500 in value.
- Cash advances, cash refunds.
- City Stores inventory items.
- Items on a blanket purchase order.
- Personal items.
- Local (Grand Junction) vehicle repairs
- Local (Grand Junction) gasoline and oil purchases
- Any merchandise, product or service normally considered to be inappropriate use of City funds.

10.9 Allowable Purchases:

- Building/landscape materials.
- Contractor Services, e.g. HVAC, electrical, carpentry, etc.
- Catering and food for business use.
- Miscellaneous maintenance and repair requirements.
- Office supplies not in Stores inventory.
- General operating supplies not in inventory.
- Software (requires I.S. approval).
- Uniform and clothing purchases
- Travel expenses such as hotels, food, fuel and airline tickets.
- Education, i.e. registration for classes, conferences, seminars, etc.
- Postage
- Subscriptions

10.10 Violations:

- A. Making purchases which exceed the cardholder's specific dollar limit. It is the responsibility of the ordering department to ensure all "extra" charges such as freight handling, set-up, etc., are considered before a purchasing card transaction is made. A vendor's willingness to honor a purchasing card transaction exceeding the cardholder's single transaction limit does not authorize the cardholder to make purchases.
- B. Purchases from vendors that create conflicts of interest, e.g. companies owned by the City employee or relatives or where the employee has or will gain or benefit directly or indirectly from the purchase.

10.11 Forms:

- A. Purchasing Card Information Record (Form N): To initiate issuance of a new card or to change information on an existing account requires completion of a "Purchasing Card Information Record" form by the employee (to whom the card will be or was issued) and his/her immediate supervisor. The completed form is sent to Purchasing Division.
- B. Purchasing Card Dispute Form (Form O): To dispute a charge to your purchasing card account, the cardholder must complete the Purchasing Card Dispute Form and return the form to Well Fargo MasterCard offices within 60 days from the posting date statement. Return by Fax, number 415/975-6635.

- C. Declaration of Forgery or Unauthorized Use (Form P): To report a lost or missing card, or to report a forgery or unauthorized use of a card, the cardholder must complete the Declaration of Forgery or Unauthorized Use Form and return the form to Well Fargo MasterCard offices, FAX number 415/975-6635.

10.12 Internet Purchasing Card Procurement

- A. Making purchases on the Internet by use of the Purchasing Card requires special precaution by the using department. Individuals must be aware that the chance of fraudulent card purchases could occur as a result of the City card number being obtained by unscrupulous individuals and used to make purchases. In order to discourage any fraudulent activity, the using department is encouraged to make the actual purchase by using the e-company's toll free number and placing the order verbally. If purchases are made directly on the Internet, they should only be made on a secured Internet site. A small gold colored lock symbol will appear on the lower right corner of the screen if it is a secure site. However, secure web sites do not normally guarantee the security of their site, although they attempt to provide a safety net for the consumer.
- B. The using department representative must be careful to monitor the electronic purchasing process. All responsibility is born by the individual making the purchase to insure the process is monitored and recorded. Users are responsible to maintain a log of Internet purchases to insure that the City is not billed for goods that have not been received. The log may be a manual log or a computer log. Entries are to be contemporaneous to give up-to-date information of the activities relative to the purchase.
- C. **At the time the order is placed** the individual employee making the electronic purchase is required to download a receipt or record of the order placed for future reference. Some e-companies provide you a confirmation of the order electronically and some do not. This process insures a record of the transaction. The downloaded order documentation must be submitted with the Purchasing Card statement for the items that have been charged for that period. **Caution should be made to insure the items that have been ordered are received, prior to authorizing the payment.** If the items are not received as ordered, it is the sole responsibility of the individual ordering the merchandise to contact the vendor and rectify the situation. Erroneous billings will be charged to the appropriate budget if the protested activity is not rectified.
- D. Additional caution must be made with regard to **shipping and handling charges.** Often the minimum charges for shipping and handling can exceed the savings or value the employee thinks they are obtaining in behalf of the City of Grand Junction. It is not uncommon for the shipping and handling to be a large percentage of the total expenditure, canceling out any savings that would have been realized. The most common carriers used by e-commerce companies are UPS and Federal Express, although heavier shipments may be made by freight carriers. Normally the rates are established based on the dollar value of the order placed and no documentation of the actual UPS/Federal Express/Freight Bill is provided to the purchaser.
- E. Although the City supports this type of purchasing activity, City employees are encouraged to purchase from local trusted vendors if the goods desired are available. The element of risk is reduced considerably and the assurance of quality is enhanced, because you can examine the goods prior to purchase. **IF A PRICE FROM AN INTERNET PROVIDER APPEARS TOO GOOD TO BE TRUE, IT PROBABLY IS! CAUTION CAN NOT BE OVERSTATED.**

F. All e-commerce purchasing is subject to promulgated City Purchasing policy and procedures.

SECTION 11: METHODS AND PROCEDURES FOR SOURCE SELECTION

11.1 Informal Solicitations for Purchases Not Exceeding \$10,000: Any purchase of supplies and services less than \$10,000 may be made in accordance with the purchases procedures set forth in this Section. **Purchases shall not be artificially divided to circumvent the bid process. If numerous items are being purchased from one vendor on one order, the aggregate price is the determining factor with regard to bid procedures.**

A. Purchase Authority and Process:

1. The Purchasing Manager or employees with delegated purchasing authority shall have the authority to purchase without formal competition, for the purchase of any materials, professional services, services or construction amounting to \$5,000 and not exceeding a cost of \$9,999. If multiple purchases will be made during one fiscal year with an aggregate amount to warrant annual contracting, the Purchasing Manager may require the department/division provide data for a formal competitive solicitation, as is in the best interest of the City.
2. Such negotiated purchases shall be made in the *open market*: whenever practical or advantageous, the Purchasing Manager or designated representative shall attempt to obtain quotes from a minimum of three (3) vendors. Negotiated purchases of materials, services or construction shall be awarded to the vendor supplying the lowest responsible and responsive quote. The names of the vendors submitting quotations, the amount of each quotation and the date, shall be documented (Form C - Certification of Informal Quotations Form) and maintained as a public record.
3. The purchasing procedures adopted pursuant to this Section shall authorize the purchase of materials, services or professional services in the *open market* by Department Directors and Division Managers or their designated representatives, of other departments of the City, provided that no such purchase shall exceed the cost of \$4,999 without competition.
4. No contract shall be artificially divided so as to constitute a small purchase.

11.2 Solicitations for Purchases of \$10,000 or more:

- **Competitive Sealed Bids/Proposals Required.** Any expenditure for supplies, materials and equipment or any contract obligating the City of Grand Junction of ten thousand dollars (\$10,000) or more and all major capital expenditures shall be purchased under formal competitive sealed bid or competitive proposal procedures.
- **Public Notice Required.** Purchases of commodities and/or services estimated to cost twenty five thousand dollars (\$25,000) or more shall be published in a general circulation newspaper in the City of Grand Junction and be published at least five (5) working days preceding the last day set for the receipt of solicitations. Public notice of solicitations shall state the place, date and time of the bid opening. **Purchases under \$25,000 will be advertised if requested by the Division or at the discretion of the Purchasing Manager**
- **Public Records:** Purchasing Division is responsible for record keeping. All submittals, except confidential or proprietary information as defined by law, are public records and must be retained as such.

- **Definition: Competitive Sealed Bid (Formal).** A competitive sealed bid is a method of source selection for a procurement of goods and/or commodities estimated to be ten thousand dollars (\$10,000) or more. Award is generally made to the lowest responsive and responsible bidder whose bid complies with the specifications contained in the Contract (Bid) Documents. This means that bid price is the decisive criterion for determining the vendor who shall receive the award.
- **Definition: Competitive Proposal (Formal).** A competitive proposal (Request for Proposal) is a method of source selection for a procurement estimated to cost ten thousand dollars (\$10,000) or more. Award is generally to the respondent who's offer is considered the best when compared and evaluated against all other offers. Cost is not the primary focus of bid award. Competitive proposal solicitations are used for the procurement of services that require a high degree of professional skill and expertise. The qualification based selection process shall be used for the retention of design professionals (architects, engineers and surveyors).

A. Competitive Sealed Bid Procedure:

1. Invitation for Bids (IFB): An Invitation for Bids shall be issued and shall include specifications and all contractual terms and conditions applicable to the procurement, as well as the bid opening time and date.
2. Specifications: Specifications shall be made available to all interested parties as stated in the IFB. If for any reason whatsoever it is necessary to change the specifications or any other of the formal data and there is adequate time as determined by the Purchasing Manager prior to the date of bid opening, an addendum shall be issued setting forth the changes. Specification changes must allow adequate notice and mailing time and shall be coordinated between user department and Purchasing. This addendum shall be mailed to everyone who received a copy of the Invitation for Bids. In certain cases the bid opening may be postponed to allow adequate time for respondents to prepare their bid based on specification changes. If there is not adequate time, the Invitation for Bids shall be canceled and new bid process initiated.
3. Public Notice over \$25,000 required: At least one (1) bid invitation notice shall be published with the publication occurring at least five (5) work days prior to the date for opening the sealed bids.
4. Bonding: Bid Bonds (5% to 10%) and 100% Performance and Payment Bonds are required on any City construction project of Fifty Thousand Dollars (\$50,000) or more or as the Purchasing Manager and/or Department Director deems advisable to protect the City's interests. Bonding for service contracts shall occur at the discretion of the Purchasing Manager or the Department Director of the using agency. Bid and performance/payment bonds shall not be used as a substitute for a determination of a bidder or offeror's responsibility. Contracts under \$50,000 may be bonded at 50% of contract amount.
5. Bid Opening: The opening of sealed bids shall be a public ceremony; bids shall be opened by the Purchasing Manager or his designated representative, at the time and place specified in the Invitation for Bids. The amount of each bid and such relevant information as the Purchasing Manager or his designated representative deems appropriate, together with the name of each bidder, shall be recorded. **BIDS MUST BE RECEIVED PRIOR TO THE SPECIFIED TIME AS ESTABLISHED IN THE INVITATION FOR BIDS. BIDS RECEIVED AFTER THE**

SPECIFIED DEADLINE MUST BE IMMEDIATELY RETURNED TO THE NON-RESPONSIVE VENDOR UNOPENED.

6. Bid Submission and Bid Evaluation: Bids shall be unconditional and submitted without alteration or correction except as authorized in this subsection. Bids shall be evaluated based on the requirements set forth in the Invitation for Bids, which may include criteria to determine acceptability, such as inspection, testing, quality, workmanship, delivery and suitability for a particular purpose. Those criteria that shall affect the price and be considered in evaluation for award shall be objectively measurable, such as discounts, allowances, transportation costs and total or life cycle costs. The Invitation for Bids shall set forth the evaluation criteria to be used. **No criteria may be used in bid evaluation that are not set forth in the bid documents.**
 7. Correction or Withdrawal of Bids: Correction or withdrawal of inadvertently erroneous bids before and after a bid opening may be permitted in accordance with this subsection. Mistakes discovered before the bid opening may be modified or withdrawn by written, telegraphic or Fax notice received in the office designated in the Invitation for Bids prior to the time set for the bid opening. After the bid opening, corrections in bids shall be permitted only to the extent allowable in the bid documents and that the bidder can show by clear and convincing evidence that the mistake of a non-judgmental character was made, the nature of the mistake and the bid price actually intended. Except for the foregoing after the bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the City or fair competition shall be permitted. In lieu of bid correction, a low bidder alleging a material mistake of fact may be permitted to withdraw its bid if: (i) the mistake is clearly evident on the face of the bid document, but intended correct bid is not similarly evident; or (ii) the bidder submits evidence which clearly and convincingly demonstrates a mistake was made. All decisions to permit the correction or withdrawal of bids shall be supported by a written determination made by the Purchasing Manager or his designated representative.
 8. Award: An award shall be made by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids. In the event the low responsive and responsible bid for a construction project exceeds available funds or the engineers estimate, the Purchasing Manager or his designated representative is authorized, when time and economic considerations preclude resolicitation of work of a reduced scope, to negotiate an adjustment of the bid price with the low responsible and responsive bidder in order to bring the bid within the amount of available funds. Any such adjustments shall be based only on eliminating independent deductive items specified in the Invitation for Bids. In the purchase of supplies or services pursuant to this section of whatsoever nature or character, amounting in value to \$50,000 or more, the Purchasing Manager or his designated representative shall make report and transmit the bids to the next regular session of City Council with recommendation concerning acceptance or rejection thereof. The City Council shall thereupon approve or disapprove the recommendation of the Purchasing Manager or his designated representative.
- B. Multi-step Sealed Bidding**: When it is considered impractical to initially prepare a purchase description to support an award based on price, an Invitation for Bids may be issued requesting the submission of unpriced offers to be followed by an Invitation for Bids limited to those bidders whose offers have been determined to be technically acceptable under the criteria set forth in the first solicitation.

- C. Competitive Sealed Proposal/Competitive Negotiation Process:** A contract for supplies or services for \$10,000 or more may be entered into by use of the competitive sealed proposal/competitive negotiations method when (i) the Purchasing Manager or his designated representative determines that the complex nature or technical details of a particular procurement make the use of competitive sealed bidding either not practical or not advantageous to the City; (ii) specifications cannot fairly or objectively be prepared as to permit competition in the Invitation for Bids; (iii) high technology and electronic equipment is available from a limited number of sources; or (iv) specifications cannot practically be prepared except by reference to specifications of the equipment of a single source of supply.
1. Requests for Proposals: Proposals shall be solicited through a Request for Proposals process.
 2. Public Notice Over \$25,000 required: Adequate public notice of solicitations shall be given. Newspaper advertisements shall allow a minimum of five (5) working days prior to the due date for the receipt of solicitations.
 3. Receipt of solicitations: No proposals shall be opened until the time designated in the public notice for the solicitation. A tabulation/abstract of solicitations shall be prepared containing the name of each offeror, the number of modifications received, if any and a description sufficient to identify the item offered.
 4. Evaluation Factors: Proposal evaluation criteria should measure how well each offeror meets the desired performance requirements established before proposals are received. Final consideration for awarding of contract shall not be based solely on price. A combination of qualifications, past experience, demonstrated successes, references, fees and costs, capacity to fulfill all requirements of the contract and other qualifying considerations shall be considered for evaluation purposes.
 5. Discussion with Responsible Offerors and Revisions to Proposals: As provided in the request for proposals, discussions may be conducted with responsible offerors who submit proposals determined to be reasonably susceptible of being selected for award for the purpose of classification to assure full understanding of and conformance to, the solicitation requirement. Offerors shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals and such revisions may be permitted after submissions and prior to award for the purpose of obtaining best and final offers.
 6. Award: Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the City, taking into consideration price and evaluation factors set forth in the request for proposals. No other factors or criteria shall be used for this evaluation. The contract file shall contain the basis on which the award was made. In the purchase of supplies or services pursuant to this section of whatsoever nature or character, amounting in value to \$50,000 or more, the Purchasing Manager or his designated representative shall make report and transmit the bids to the next regular session of City Council with recommendation concerning acceptance or rejection thereof and the City Council shall thereupon approve or disapprove the recommendation of the Purchasing Manager or his designated representative. If the value of the award is \$25,000, but less than \$50,000, the Purchasing Manager or his designated representative shall make report and recommendation and transmit same to the City Manager to approve or disapprove the award. If the value of the award is \$10,000, but less than \$25,000, the Purchasing Manager or

his designated representative shall make report and recommendation and transmit same to the appropriate Department Director to approve or disapprove the award.

11.3 Non-Responsive Bid Definition:

A responsive bid is one that is in substantial conformance with the requirements of the Invitation for Bid. Bidders who substitute their standard terms and conditions for that of the City's bid documents or who qualify their bids in such a manner as to nullify or limit their liability to the City are non-responsive bidders.

A. Determination of Non-Responsive: the following are examples of non-responsive bidders:

- A bidder who fails to deliver a bid prior to the specified time and date as shown on the Invitation for Bids such is considered late and the bid shall not be opened.
- A bidder who fails to conform to required delivery schedules as set forth in the bid documents or in the permissible alternatives.
- A bidder who qualifies prices in such a manner that the firm's bid price cannot be determined ("price in effect at time of delivery").
- A bidder who fails to offer goods or services that complied with the specifications of the bid.
- A bidder who makes the purchasing authority the responsible party for determining that the bidder's products conforms to the specifications.
- A bidder who fails to furnish bid surety.
- A bidder who limit the rights of the City under any contract clause.

B. Appeal: When a bid is declared non-responsive, the City Purchasing Rules and Regulations require that the bidder be notified and given an opportunity to appeal that determination. If he believes that the non-responsive determination was erroneous, arbitrary or capricious, the bidder has the right to protest according to the rules and regulations for protested solicitations or awards contained herein. (see Subsection 8.9).

11.4 Responsible Vendor Definition:

A "Responsible Vendor" is a person who has the capability in all respects to perform fully the contract requirements and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which shall assure good, full and faithful performance.

A. Determination of Non-Responsibility: The following are reasons a bidder may be declared non-responsible:

1. The bidder is not a regular dealer or supplier of the goods or services offered;
2. The bidder does not have the ability to comply with the required delivery or performance schedule;

3. The bidder does not have a satisfactory record of performance as documented by the requesting agency's Department Director or designated representative or as referenced by other jurisdictions or customers;
4. The bidder does not have a satisfactory record of integrity or the bidder is currently disbarred or suspended by the State of Colorado or other Colorado jurisdiction or political sub-division; and
5. The bidder does not have the necessary facilities, organization, experience, technical skills or financial resources to fulfill the terms of the contract/purchase order.
6. The bidder of construction and/or maintenance services has a demonstrated record of safety violations.

B. Appeal: When a bid is declared "non-responsible," the City Purchasing Rules and Regulations requires that the bidder be notified and be given an opportunity to appeal that determination. If he believes that the non-responsible determination was erroneous, arbitrary or capricious, the bidder has the right to protest according to the rules and regulations for protested solicitations or awards contained herein (Subsection 8.9).

11.5 Bid Irregularities:

The Purchasing Manager has authority to waive bid irregularities if: **1)** the item being waived is only a matter of form or is an immaterial variation from the exact requirements of the Invitation for Bids; **2)** the item being waived has trivial or no effect on price, quality, quantity, delivery or performance; and **3)** such a waiver would not affect the relative standing of bidders or be otherwise prejudicial to them. Examples of minor irregularities that may be waived are:

- Failure to furnish with the bid certain required information regarding the vendor's qualifications to perform the contract.
- Failure to submit required descriptive information on the products offered.
- Failure to return the proper number of executed bids or attachments, including certifications and affidavits.
- Failure to return a bid addendum or amendment if on the face of such bid the bidder acknowledges receipt of addendum or amendment or if the addendum or amendment does not have material affect on the bidder's liability under the terms of the contract.
- Failure to sign a bid, when evidence is submitted with the bid that clearly shows that the bid was the one intended by the bidder and that failure to sign was strictly an oversight.

When such minor irregularities are discovered by the purchasing authority, the bidder is requested to remedy the problem within a reasonable timeframe by later submitting omitted data or by providing a written statement of intent.

11.6 Exemptions to Competitive Solicitation:

- A. The following items are **exempted** from competitive bidding:
- Supplies, materials, services costing less than \$5,000.
 - Purchases made cooperatively with other units of government such as the State of Colorado and government cooperative groups utilizing extended awards from other governmental agencies; the City may, when deemed appropriate, extend its award to other governmental agencies;
 - Purchases from federal, state or other local government units;
 - Magazines, books and periodicals;
 - Supplies, products or services indispensable to the City which are obtainable, for practical purposes, only from a single source, as identified by the Purchasing Manager using the procedure herein set forth;
 - The material qualifies as an object of fine art;
 - A particular material is required to match materials currently in use by the City.
 - OEM repair parts purchased from the source vendor.

B. Miscellaneous Exemptions:

Any procurement resulting from a formal competitive bid or proposal may be used as the basis for the negotiated purchase of additional quantities of the same materials or services at any time within a period of two (2) years from the date of approval; **provided, however, that subsequent procurements are expressly limited to the specific terms, conditions and pricing established by the original bid.** Additional quantity negotiations must be accomplished by the Purchasing designee.

C. Construction Change Orders, permitted without competition when:

1. One (1) or more change order(s) to an existing construction contract which shall not exceed a cumulative cost of twenty-five (25) percent of the original contract awarded pursuant to an Invitation for Bids or Request for Proposals may be executed without competition.
2. Any construction change order which authorizes a new improvement under a construction contract may be executed without competition when:
 - a. The new improvement is required for the completion of an improvement which is currently under construction pursuant to a competitive bidding or competitive proposal process;
 - b. The new improvement results from the unforeseen physical condition(s) at the site of the improvement under construction and is required for the completion of the improvement under construction; and
 - c. An administrative finding has been made by the Purchasing Manager or his designated representative that it would be in the City's best interest to negotiate with the on-site contractor for the construction of the new improvement.

11.7 Waiver Process to Formal Competitive Bids:

The formal bid process may be waived by the City Manager at the request of the Purchasing Manager under the following conditions:

- Where the process may cause undue delay or hardship for a department, division or office of the City; and,
- When deemed in the best interest of the City.

11.8 Rejection of Bids: All bids may be rejected when one or more of the following occur:

- All bids exceed the budgeted amount;
- There are no responsible bidders;
- There are no responsive bidders;
- The project is abandoned; or
- The specifications, scope and/or terms and conditions are revised for rebidding.

11.9 Protested Solicitations or Awards:

A. Protest: Any actual or prospective bidder, contractor or vendor who is aggrieved in connection with the solicitation or award of a contract and purchase order may protest to the Purchasing Manager, Administrative Services Director or City Manager as set out in this Section. The protest shall be submitted in writing to the Purchasing Manager or his designated representative, within seven (7) working days after the aggrieved person knows or should have known of the facts giving rise thereto.

- Protests in connection with a solicitation or award of a contract involving an amount less than twenty-five thousand dollars (\$24,999) shall be filed with and determined by the Purchasing Manager.
- Protests in connection with a solicitation or award of a contract involving an amount of twenty-five thousand dollars (\$25,000) but less than fifty thousand dollars (\$49,999) shall be filed with and determined by the Administrative Services Director.
- Protests in connection with a solicitation or award of a contract involving an amount of fifty thousand dollars (\$50,000) or more shall be filed with and determined by the City Manager.

B. Authority: The City Purchasing Manager, City Administrative Services Director or City Manager, as set out in Subsection 8.9, shall have the authority to settle and resolve a protest of an aggrieved bidder, contractor or vendor, actual or prospective, concerning a solicitation or award of a contract. A written decision regarding the protest shall be rendered within thirty working days after the protest is filed. This authority shall be exercised in accordance with the City procurement rules and regulations set forth herein. After thirty days and no decision is made, the written protest shall be forward to the City Attorney office for resolution.

11.10 Confidentiality:

After bids are opened and reviewed at the bid opening, they become confidential documents until the Purchasing Manager or designee awards the contract. **Department staff shall not discuss bids with competing vendors.** Vendor questions must be referred to the Purchasing Division. Department staff shall not discuss with any vendor the recommended award or the reasons for awarding or not awarding to any bidder.

11.11 Disagreements About Recommendations:

If the Department and the Purchasing Division disagree about the award recommendation, the Department Director or designee and the Purchasing Manager or

designee shall meet personally to review the reasons for the disagreement. The mutual goal of the Department and the Division is to award to the lowest responsive and responsible bidder for goods or services that meet the Department's requirements contained in the specifications. Disagreements that can not be resolved shall be forwarded to the City manager's office for final determination.

11.12 Public Works Capital Improvement Construction Projects:

City Public Works capital improvement construction or utility projects often require detailed technical specifications and project management by a licensed engineer. Therefore the solicitation for such capital improvement projects \$10,000 or more is hereby delegated by the Purchasing Manager to the Director of Public Works. Formal competitive solicitations shall be accomplished as described in this Purchasing Manual. Public notice and bonding requirements shall be adhered to as delineated in this section.

SECTION 12: SPECIFICATIONS

12.1 Specifications:

The term, "specification" or "specifications" refers to that portion of a solicitation that describes the required characteristics of a commodity or service. It is used interchangeably with the terms, "purchase description," "purchase specification," "purchase requirement," "commercial item description," "scope of work" and "statement of work." A specification may include requirements for samples, prototypes, inspection, testing, warranty and packaging. The specification portion of a solicitation should not contain bidding instructions, contractual terms and conditions, delivery, pricing formats or similar material. The specifications are the communication medium between the purchaser and the seller and the basis on which the bids are prepared. Specifications for each item should be definite and precise to eliminate the possibility of misunderstanding on the part of the vendor or the purchaser.

REMEMBER, the fundamental premise of public procurement is that maximum price competition minimizes government costs. Specifications shall be prepared accordingly.

Specifications which call for only one "brand or trade name" item to be furnished shall not be issued unless prior approval is granted by the Purchasing Manager. "Brand names" may be used to establish an acceptable or minimum standards that all vendors must meet or exceed.

In considering and developing specifications, it must always be remembered that expenditures derived from public sources and administered by public bodies cannot be expected to provide for luxurious levels of quality. Therefore, the general policy of purchasing good, standard grades of merchandise which represent an optimum between quality and price and provide a satisfactory level of service shall be followed.

12.2 Authority for Specifications:

The City Purchasing Manager is responsible for and has the authority to accept or reject any specification. Since the purpose of a specification is to translate a user's need into the delivery of a good or service, the development of specifications must be a cooperative effort between the using agency and Purchasing. However, prior to release

of a specification as part of a solicitation, the Purchasing Manager or Buyer must be satisfied that it shall result in a fair and equitable competitive procurement.

12.3 Types of Specifications:

There are several types of specifications; the development, selection and use of a particular type is dependent on the situation, time, information available and needs of the user.

A. PERFORMANCE SPECIFICATIONS: Performance specifications (also known as Functional Specifications) are preferred since they communicate what a product is to do, rather than how it is to be built. Among the ingredients of a performance specification would be the following:

- A general nomenclature or description;
- Required performance characteristics (minimum/maximum) to include speed, storage, production capacity, usage, ability to perform a specific function;
- Operational requirements, such as limitations on environment, water or air cooling, electrical requirements;
- Site preparation requirements for which the contractor shall be responsible, such as electricity, plumbing or for which the City shall be responsible;
- Compatibility requirements with existing equipment or programs;
- Conversion requirements for maintaining a current equipment or system until switching to the new equipment or system;
- Installation requirements;
- Delivery date;
- Maintenance requirements;
- Supplies and parts requirements;
- Quantity and method of pricing;
- Warranty; and
- Service location and response time.

Note: Performance specifications shall be developed by City agencies unless impractical or unnecessary to fully and accurately describe agency requirements.
--

B. DESIGN SPECIFICATIONS: Design specifications employ dimensional and other physical requirements and concentrate on how a product is fabricated, rather than on what it should do. Design specifications are normally prepared by architects and engineers for construction or custom manufactured products. Among the ingredients of a design specification would be the following:

- Dimensions, tolerances and specific manufacturing or construction processes;
- References to a manufacturer's brand name or model number; and
- Use of drawings and other detailed instructions to describe the product.

C. BRAND NAME SPECIFICATIONS:

1. A brand name specification may be used only when the Purchasing Manager has determined that sufficient sources of competition exist for the procurement of the material and that the use of the brand name specification is not intended to limit or restrict competition.
2. A brand name specification may also be used to describe the standard of quality, performance and other salient characteristics of a material in lieu of a

description of its physical or functional characteristics. In such cases, the solicitation shall contain explanatory language that the use of the brand name is for the purpose of describing the standard desired and that the substitution of equivalent materials is permitted.

3. When a specification mentions a manufacturer's brand name or model number, it shall also include the words, "or equal." In this regard, "or equal" is interpreted to mean, "*substantially (real, actual and/or true, not imaginary) equal and capable of performing the essential functions of the referenced brand name or model.*" Identify in the requisition any specific features of the referenced brand that must be met.

D. SERVICE DELIVERY SPECIFICATIONS (aka - SCOPE OF WORK/SERVICES): The following is an outline of the types of information that should be included in a scope of work or scope of services developed for procurement of independent contractors providing services other than construction, e.g. HVAC maintenance, window washing, demolition, etc.

1. *General Requirements.* Describe in general terms the contractor's responsibility to provide a service or produce a final product.
2. *Specific Requirements.* Next, address the specific tasks, sub-tasks, parameters and limitations which must be considered in producing the service or final project. Such factors as the following should be included:
 - Details of work environment;
 - Minimum or desired qualifications;
 - Amount of service needed;
 - Expected results
 - Location of service;
 - Definition of service unit;
 - Time limitations;
 - Travel regulations or restrictions;
 - Special equipment required; and
 - Other factors affecting working environment.
3. *City Provided Materials or Services:* List any plans, reports, statistics, space, personnel or other City provided items that must be used or are available for use, by the Contractor.
4. *Deliverables, Reports and Delivery Dates.* Identify the specific delivery dates for all services and products the Contractor must furnish. Be clear about the expectations of the City for the Contractor's performance.

12.4 Specifications “Do’s and Don’ts”:

A. DO'S:

- Use the word "must" or “shall” to describe a command or mandatory requirement;
- Use the words "should" or "may" to describe an advisory or optional requirement;
- Be specific and detailed in presenting mandatory requirements; and
- State a requirement of fact once and avoid duplication.

B. DON'TS:

- Present something as mandatory if it is really only optional;
- Write specifications or scope of work that restrict response to a single bidder/offeror; and
- Place bid/proposal administrative or contractual terms in the specification portion of the document.

12.5 Preparation of Specifications:

All specifications shall be drafted so as to promote overall economy for the purpose intended and to encourage competition in satisfying the City's needs and shall not be unduly restrictive. The policy enunciated in this Section applies to all specifications including, but not limited to, those prepared for the City by independent architects, engineers, designers and draftsmen.

Departments are responsible for the first draft of specifications to be submitted to Purchasing. Lengthy and complex specifications should be submitted to Purchasing via E-mail attachment or on a 3.5" diskette in *Microsoft Word*. Be certain the diskette label properly identifies the data. After Purchasing has reviewed the specifications and attached its standard terms and conditions, the Department shall be forwarded a redline draft for final review and approval.

Bids and quotations should be based on concise but adequate specifications. A lengthy specification composed or designed solely for the purpose of eliminating competition, other than those able to supply a particular brand name commodity, should be avoided and the actual brand name or common description should be used when no other of its kind would be equally satisfactory. Specifications should be detailed to provide a basis for full and fair competitive bidding upon a common standard and should be free from any restrictions that would have the effect of stifling competition.

The Purchasing Manager or Buyer has authority to require modifications or alterations to a specification to permit competitive bidding. The Purchasing Manager or Buyer shall furnish the requesting department representative a written report of any change(s) and why change(s) is desired and/or necessary. Disagreements between Purchasing staff and agency representatives regarding final bid or proposal specifications shall be resolved by the City Manager.

12.6 Changing Specifications:

Once an Invitation for Bids has been mailed, no changes in the specifications may be made unless all prospective bidders are notified by certified mail in an addendum, in duplicate, clearly pointing out such changes. This addendum shall instruct the bidder to sign and attach one copy to his/her bid as proof of receipt and retain the second copy with his/her bid file.

Once a decision has been reached on the specification(s), all bids must be based upon the same specifications and no bidder has a right to substitute other specifications for those contained in the bid.

SECTION 13.0: PROFESSIONAL, TECHNICAL & EXPERT SERVICES PROCUREMENT

13.1 Purpose:

The City frequently requires the specialized skills, knowledge, resources, and services of private contractors or consultants to complete complex studies, to develop or revise procedures, to conduct audits, to train staff, to design facilities, or to provide a specialized product. The purpose of this section is to set forth policy and procedures for procuring professional, technical and expert services expected (1) to cost less than \$10,000 and (2) services expected to cost \$10,000 or more.

13.2 Authority:

Under \$10,000: For the purpose of procuring the service of licensed professional(s) or independent consultant(s), any using agency or department requiring such services may procure them on its own behalf when the total cost does not exceed \$10,000. Department Directors or Division Managers are responsible for selection and contract administration. Competition is not required; nevertheless, Department Directors or Division Managers are responsible for selection based on applicable and appropriate qualifications, experience, referenced successes and cost factors.

\$10,000 to \$24,999: With the approval of the City Manager, professional, technical and expert services with a total cost between \$10,000 and \$24,999 can be procured without competition (see Subsection 2.8, Approval Matrix, Sole Source column). Department Directors are responsible for providing the City Manager with a written justification and recommendation for the selection.

Over \$25,000: With the approval of City Council, professional, technical and expert services can be procured without competition (see Subsection 2.8, Approval Matrix, Sole Source column). Department Directors are responsible for providing and presenting City Council with a written justification and recommendation for the selection.

\$10,000 and Over: Without the approvals set forth above, for the purpose of procuring the services of licensed professionals or independent consultants, all City departments are required to adhere to the selection procedures described in this Section if the work is to cost \$10,000 or more. City Purchasing Manager is authorized to solicit and procure professional services expected to cost \$10,000 or more. Proposals shall be requested and received by the Purchasing Division. Offerors shall be ranked and negotiations conducted. No contract for the services of legal counsel shall be awarded without the approval of the City Attorney or his designated representative. Contracts for professional design services shall follow the qualification-based selection process (QBS).

13.3 Selection Procedures for Professional Service Contracts of \$10,000 or more:

The selection process for professional services, to include design firms, architects, engineers, land surveying, auditors, training and other professional specialized services shall be competitive whenever possible. Prior to making the decision to solicit proposals a determination must be made if the process is to be single or multi-step. In a multi-step process, the department desiring the services should determine if it would be in the best

interest of the City to obtain **qualification letters or statements of interest from prospective providers prior to soliciting proposals.** If that is the desire of the requesting department, the process will start with the letter(s). The following process shall be adhered to in varying degrees as agreed upon between the using department and the Purchasing Manager.

Step 1: The first step requires the Director to designate a representative to serve as *Project Coordinator*, also known as “project manager.” Prior to preparing a requisition to issue a Request for Proposals (RFP), the project coordinator shall confer with the Purchasing Division to determine whether an RFP is the appropriate mechanism for the procurement or if a qualification letter/statement of interest is the first step of the process. If the RFP is recommended, a schedule for the selection process shall then be established.

Step 2: The project coordinator shall prepare a purchase requisition to transmit to the Purchasing Manager with the Scope of Work (minimum requirements for services) for the project. The Scope of Work (SOW) shall be submitted in writing, E-mail, or on a diskette in Microsoft Word. The SOW seeks results; it is performance, not process oriented and requires a systematic approach. It should define the mission of the RFP or answer the question ‘why’ this acquisition is being made or considered. It also discusses ‘how,’ at least in broad terms, the mission is to be accomplished. The SOW defines the logical flow of activities, specifies the expected result or outcome of each and delineates how this shall be measured. It defines who is responsible for what, i.e., it identifies the responsibilities of both parties (purchaser and supplier).

Step 3: Accompanying the SOW shall be (1) a proposed calendar of events and (2) the recommended evaluation criteria to be incorporated into the RFP and used to rank and select the service provider. The department shall also provide the names and addresses of the recommended evaluation committee members and a list of prospective offerors to be contacted.

Step 4: The Purchasing Division shall prepare a draft RFP for Departmental review. Only after all revisions are made will the RFP be mailed to the prospective offerors by the Purchasing Division.

Step 5: The Purchasing Division shall receive all proposals until the deadline date and time specified. At that time, submittals shall be opened, recorded and reviewed to be certain the administrative requirements of the RFP have been met. **NOTE: At this stage only the names and addresses of respondents are public record; all other information is confidential until contract negotiations are completed.**

Step 6: Copies of the proposals shall be forwarded to the Department for distribution to evaluation committee members for perusal prior to the formal selection meeting that follows.

Step 7: Committee members shall then meet as a team. The team reviews each proposal and determines the strengths and weaknesses of each. The team members may score each proposal using a rating form that is specifically prepared for the unique conditions of the proposed contract work. After all proposals have been evaluated, team members shall rank the proposals in order of preference. The references of the highest ranked firm are checked to support the team finding. **The evaluation must be done in accordance with the criteria contained in the RFP.** The information in proposals is confidential during the evaluation process. If requested, a representative of the Purchasing Division shall assist the committee to assure that evaluations are

conducted as stated in the RFP. If warranted, interviews or oral presentations may be scheduled to further assess the capabilities of the proposers.

Remember, the committee recommendation does not authorize the committee or department to notify any offeror of the status of the evaluation.

Step 8: The Purchasing Manager and/or the project coordinator shall conduct negotiations with the recommended offeror until a final contract is agreed upon. The City Attorney's Office shall be asked to review the draft contract document before award. If terms or compensation cannot be agreed upon with the best-qualified offeror, then negotiations shall be formally terminated with the selected offeror. If proposals were submitted by one or more other offerors determined to be qualified, negotiations may be conducted with such other offeror or offerors, in order of their respective qualification ranking and the contract may be awarded to the offeror then ranked best qualified if the amount of compensation is determined to be fair and reasonable.

Step 9: After both parties have agreed to the terms of the contract, the contract shall be presented to the proper authority for execution. Authority to award and execute contracts shall comply with purchasing authority thresholds as set forth in Section 2 of this Manual.

Step 10: All proposers shall be notified of the selection.

SECTION 14: EMERGENCY PURCHASES

14.1 Emergency Purchase Definition:

An *emergency purchase* is a purchase made in an exigency, made under special procedures, designed to meet the emergency. Bona fide emergency purchases are made to protect the public health of citizens or when immediate repair is necessary to prevent further damage to public property, machinery or equipment. In addition, a bona fide emergency purchase is when the functioning and operation of a City department would be seriously hampered or delayed through use of the normal requisitioning/purchasing process.

14.2 Authority:

In case of an emergency affecting the public peace, health or safety, the City Manager may waive all provisions for competitive bidding. In such instances, the City Manager may direct the appropriate Department Director or Purchasing Manager to procure such emergency needs by informal open market procedure, as expeditiously as possible, at not more than commercial prices. When expenditures exceed \$50,000, a full report of the circumstances necessitating the emergency action shall be presented at the next City Council meeting by the City Manager.

14.3 Emergency Purchase Procedures:

A. Criteria. The following are the criteria for determining whether to use emergency purchase procedures:

1. An equipment breakdown or act of God threatens to terminate essential services;
or
2. A dangerous condition or immediate need for supplies, equipment or services threatens public safety, health or welfare.

B. Procedures. The following are procedures to be followed for emergency purchase situations:

1. In the event of an actual emergency during non-working hours, the Department Director or designee may purchase directly any supplies whose immediate procurement is essential to protect the life, health or safety of the public. When expenditures exceed \$25,000, the Department Director or designee of the City agency using the emergency procedure shall submit by close of business the next work day a purchase order with a copy of the delivery document and a written report explaining the circumstances of the emergency to the City Purchasing Manager.
2. During normal City business hours, the Department shall notify the Purchasing Manager of the emergency situation and request verbal approval to proceed with the emergency purchase. The department shall provide the following:
 - a. The nature of the emergency;

- b. The estimated cost of the services/goods required; and
- c. The vendor recommended to receive the order.

SECTION 15: SOLE SOURCE DESIGNATION

15.1 Authority:

The City Purchasing Manual allows for exemption from the competitive procurement process when a written determination has been made by a Department Director or Division Manager, and approved by the Purchasing Manager, City Manager or City Council, that there is only one source practicably or reasonably available to supply a good or service.

When, in the opinion of the Purchasing Manager the best interests of the City shall be served, the Purchasing Manager may authorize the use of sole source procurement procedures provided the expenditure does not exceed ten thousand dollars (\$9,999). Sole source requests of ten thousand dollars or more but less than twenty-five thousand dollars (\$24,999) must be approved by the City Manager. Requests for sole source expenditures of twenty-five thousand dollars (\$25,000) or more shall be approved by City Council. See "Authority Matrix," Subsection 2.8.

15.2 Sole Source Criteria:

The following are the criteria used for determining sole source:

- The Vendor is the original equipment with similar parts or equipment available from another manufacturer;
- The compatibility or conformity with City owned equipment or materials in which non-conformance would require the expenditure of additional funds.
- No other equipment is available that shall meet the specialized needs of the department or perform the intended function; or
- Detailed justification is available which reasonably establishes that the Vendor is the only source practicably available to provide the item or service required.
- Written demonstration and justification is available which reasonably and practicably establishes that the selection of a sole source Vendor is in the best interest of the City.

15.3 Procedures:

A. The department shall complete a Sole Source Justification Form (Exhibit A). Attach documentation and/or justification that reasonably or practically establishes that the proposed Vendor is the only source reasonably or practicably available to provide the item or service required. The department is responsible for conducting negotiations, as appropriate, as to price, delivery and terms. In an effort to insure that Sole Source Justifications Forms are valid, after a period of THREE (3) years the Purchasing Staff may request the using department update the information or justify that the sole source conditions continue to be valid.

B Authorization Thresholds:

1. For sole source purchases refer to section 2.1 through 2.9 for the designated approvals. If a sole source is required to be approved by the City Council, the presentation to Council for final approval or disapproval must be made by the

requesting department. The Purchasing Manager shall review the recommendation for compliance with the City's policies prior to the agenda being forwarded to the City Clerk to be placed on City Council's agenda. Presentation shall be made by the requesting agency.

SECTION 16: COMPUTER HARDWARE/SOFTWARE PURCHASES

16.1. Authority of Information Services Manager:

All purchases of computer hardware and software must have prior approval of the City's Information Services (IS) Manager or his designated representative.

Any purchase request submitted directly to purchasing shall be returned to the requesting department without further processing.

16.2 General Guidelines:

The procedures set forth in this Section shall be followed for all hardware and software purchases, usage, and installation regardless of price, including monitors, printers, plotters, scanners, memory and multi-function cards, co-processor chips, disk drives backup units and /or any other device/component which is controlled by computer.

These procedures do not apply to external computer accessories or furniture which are not an integral component of the computer (desks, stands, floppy disks, paper, ribbons, anti-glare screens, surge suppressors, etc.). Normal purchasing procedures shall be followed for these items.

It shall be the responsibility of each department to maintain a current inventory of all software installed on computers assigned to them. Each department shall also be responsible for ensuring no unauthorized software or programs are installed on their machines by their assigned personnel. Should an unauthorized installation be discovered on a department machine by IS personnel, the assigned Department Head and the Administrative Services Director shall be notified by IS.

Only properly licensed software/hardware owned by the City of Grand Junction may be installed on city owned machines. All city computer hardware/software classified as "infrastructure" or "city-wide" shall be under the jurisdiction of the Information Services Division.

Any software or browser pluggins downloaded from the Internet needed to view, hear or read web pages shall be the responsibility of the user to install and trouble shoot. Patches, minor updates and hardware drivers for approved software and hardware may be downloaded from the Internet.

16.3 Request and Purchase Procedure:

1. The department requesting the purchase shall prepare a software/hardware requisition form, Form "M" in appendix, which shall be forwarded to the IS manager by E-mail or hard-copy. The requisition shall state the reason/ need for the item, item description including system requirements, estimated costs, possible vendors and applicable accounting information. The requested purchase shall meet the

minimum guidelines for new software/hardware as outlined in Exhibit "A" in an effort to avoid conflicts with existing city hardware/software.

2. The IS Manager, his designated representative, or the standing Information Technology Policy Advisory Committee (ITPAC) shall evaluate the request. Routine items that are department specific for which no IS support is being requested can be authorized by the IS Manager. If the requester is not satisfied with the decision of the IS Manager, the request can be submitted to ITPAC for evaluation.
3. Hardware and software items that affect more than one department, the city-wide or infrastructure systems, significant upgrades or version changes to existing software or items for which technical support is being requested must be approved by both the IS Manager and ITPAC. The IS Manager, in conjunction with the ITPAC, can either approve the request, approve an alternative purchase and/or arrange a meeting with the department involved to discuss the request.
4. Approved purchases under \$5,000 shall be returned to the requesting department for purchase, with a recommended vendor. Purchase requests of \$5,000 or more shall be the responsibility of the IS Manager who shall follow the procurement rules and regulations as set forth herein.
5. "Sole Source" Computer Equipment Acquisition: Purchases which would, because of dollar amount, require a bid procedure, but for which it is deemed not in the City's interest to seek bids (because of the need to standardize equipment and/or provide equipment which fits within current maintenance/service policy) shall be so marked upon forwarding to Information Services Manager. Such purchase requests must meet City guidelines for sole source procurement (See Section 14). Sole source computer related purchases shall be justified in writing by the IS Manager.
6. Purchases of pre-approved computer related items listed in Exhibit "B" do not require compliance with the general purchasing guidelines listed in this regulation, but must adhere to the guidelines regarding the installation and usage of city computer related items. Once the requested item(s) have been obtained and installed, it shall be the responsibility of the requesting Department to ensure IS is informed of the installation. IS will add the new device/program to the citywide inventory and the responsible Department will ensure the new device/program is added to their departmental inventory.

SECTION 17: FLEET REPLACEMENT POLICY

17.1 AUTHORITY OF THE FLEET/FACILITY MANAGER

The City's Fleet/Facilities Manager or his designated representative must review all purchase requests for Vehicles and Industrial Equipment.

Any purchase request submitted directly to purchasing shall be returned to the requesting department without further processing.

17.2 GENERAL GUIDELINES:

It is the Policy of The Fleet Services Division to provide the latest in vehicle and equipment technology to the City of Grand Junction service divisions in the most cost effective fashion possible. It is also Fleet's responsibility to plan for replacement of City of Grand Junction vehicle and equipment assets in the most practical and economical time frame.

All vehicles and industrial equipment with a purchase value of \$5,000 dollars and above or vehicles and equipment that require registration and licensing to operate on public roads and highways shall be included in the Fleet Replacement Accrual Fund and under the direction of the Fleet Services Division.

17.3 OVERVIEW

The economic life cycle of vehicles and equipment in today's industry is considerably longer than in the past. The ability of computerized fleet maintenance management systems and other technology such as oil analysis, engine analyzers, and on-board computer systems have had a positive impact on the length of service life. The change is demonstrated by the higher mileage warranties that are offered on some vehicles in fleet environments.

The most advantageous replacement frequency is not a preset, inflexible interval in usage, years, or maintenance cost as has occurred in past years for some fleets. The most economical replacement opportunity will occur within a specified time frame, or Replacement Window.

17.4 VEHICLE AND EQUIPMENT SPECIFICATIONS

Specifications are developed by the Fleet/Facility Manager or a delegated representative and reviewed by the Purchasing Manager for programmed replacements and approved additions to the fleet for which FSD will inherently have asset management responsibility, in consultation with the using agency. Specifications are developed/updated on an as-needed basis, as early in the fiscal year as possible (subject to known/projected needs, availability of spec information, etc.). Specifications consider the using department's needs to the maximum extent possible, while also providing for standardization of similar fleet units to promote unit assignment flexibility. Specifications attempt to maximize supplier source options, while providing for using agency and City needs for satisfactory equipment and supplier performance.

Note: It is the responsibility of the user department to utilize the forms located at the end of Section 17 to request early replacement, replacement upgrades and new vehicle or equipment additions to the Fleet. These requests shall be submitted to the Fleet/Facility Manager no later than January 31 of the BI-annual budget preparation year to aid in the development of the anticipated annual accrual rate. When the request for the additional unit is approved during the budget process by the appropriate level the annual rental rate will be included in the requesting departments operating budget by the Budget Coordinator. FSD will continue to use the Equipment Replacement Committee to evaluate and approve projected vehicles and equipment for replacement as established by the replacement fund.

17.5 BID EVALUATION

The FSD with the cooperation of the user department will evaluate bids for those fleet units for which it has asset management responsibility. Bid evaluations will consider the extent to which bids meet or exceed the minimum requirements. Bid evaluations may be based on one or more established grading scales. When deemed necessary, equipment demonstrations may be conducted to assist in the evaluation process. (Equipment pre-qualification process)

17.6 VEHICLE AND EQUIPMENT STANDARDS

It is the policy of FSD to apply vehicle standards to all vehicle and equipment acquisition. The standards will enable the FSD to standardize specifications, repairs, parts acquisition and training to both technicians and operators. This minimizes costs and enhances efficiency. Standards will clearly define the need for specific features to perform job duties of a specific type and definition.

17.7 VEHICLE IDENTIFICATION

Fleet units operated by the City of Grand Junction shall comply with all local and state laws, regulations, and ordinances, which proscribe the identification of City fleet units. Those fleet units for which The FSD has asset management responsibility shall be marked by The FSD.

17.8 EQUIPMENT TRANSFER AND TURN-IN

The Fleet Services Division shall manage the departmental assignment of all units for which it has asset management responsibility.

Transfer requests and/or new equipment requests shall be made to the FSD by the agency to receive the fleet unit. Fleet units, which are no longer needed by an agency, may be returned to The FSD at any time, with written notice to the FSD requesting termination of the unit assignment (See form "D" Report of Property And Equipment Reduction Form) in the back of this manual.

**VEHICLE/EQUIPMENT
EARLY REPLACEMENT EVALUATION FORM**

NOTE:

This form shall be returned to the Fleet Services Division office where an appointment will be made for the mechanical evaluation. After Fleet Maintenance has performed the mechanical evaluation, the completed packet will be forwarded to the Fleet/Facilities Manager so that early replacement units can be priced and the packet can be typed. A copy of the entire evaluation will be sent to the requesting division and departmental director.

DEPARTMENT/DIVISION _____ UNIT # _____

YEAR _____ MAKE _____ MODEL _____ METER _____

REPLACEMENT STATUS:

Scheduled _____ Unscheduled _____ Beyond Economical Repair (B.E.R.) * _____

*B.E.R. – Fleet Maintenance personnel to make this determination)

REASON FOR REPLACEMENT:

Age _____ Mileage _____ Cost (maintenance/repair) _____

Does not meet job requirements _____ Other: _____

Give a brief justification statement why you feel a replacement is needed:

Did this unit meet your requirements? Yes _____ No _____ If not, Why?

Person requesting evaluation: _____

Department _____ Phone _____

**NEW ADDITION/REPLACEMENT UPGRADE
UNIT SPECIFICATION CHECKLIST FORM**

NOTE:

This form shall be used for replacement upgrades and new purchases above \$5,000 or units requiring registration and licensing. Return the completed form to the Fleet Services Division on or before January 31st of the biannual budget year. Anticipated equipment purchase costs and annual rental rates will be calculated and forwarded to the Budget Coordinator to be included into the user division's operating budget upon appropriate approval.

REPLACEMENT FOR UNIT # _____

UPGRADED REPLACEMENT UNIT: Yes _____ No _____

NEW ADDITION TO FLEET: Yes _____ No _____

BASIC UNIT:

Sedans - Indicate the size of unit needed for your work requirements: _____

Trucks - Indicate type needed: _____

Gross Vehicle Weight (GVW) (combined weight of payload and unit) _____

Body: Specify type of special requirements, i.e., stepside, without fenders, dump, flatbed, etc: _____

Additional fuel tank needed? Yes _____ No _____

Block heater needed? Yes _____ No _____

Window Location on vans: _____

Type of doors preferred on vans: _____

Frame – List any special requirements specified by the body/equipment manufacturer:

TRUCK MOUNTED EQUIPMENT:

Utility body: Yes _____ No _____

Dump body: Cubic yards _____

Stake body: Size required _____

Platform body: Size required w/contractor's sides _____

Truck mounted air compressor: CFM required _____

Truck mounted crane: Lift capacity _____

Specify other body type or equipment: _____

NEW ADDITION/REPLACEMENT UPGRADE

UNIT SPECIFICATION CHECKLIST FORM

REPLACEMENT FOR UNIT # _____

UPGRADED REPLACEMENT UNIT: Yes _____ No _____

NEW ADDITION TO FLEET: Yes _____ No _____

SPECIAL OR INDUSTRIAL EQUIPMENT:

Give a brief description of the make, model, job requirements and any special information that will be helpful in giving the Fleet/Facilities Manager an idea of what type of heavy/industrial equipment is required (backhoe, tamper, trailer, loader, tractor, mowers, etc.):

EXTRA EQUIPMENT TO BE MOUNTED AFTER UNIT IS RECEIVED:

Spotlights: How many? _____
Revolving Lights: How many? _____
Cross bed toolboxes: What size? _____
Pintle hooks: Heavy Duty _____ Regular duty _____
Trailer brake controller: Yes _____ No _____
Trailer plug: Yes _____ No _____

Other equipment not listed: Give a brief description of items:

Person requesting this cost estimate: _____

Phone # _____

Please attach any additional information to aid in the development of specifications.

Fleet Use Only:

Anticipated Purchase Price \$ _____

SECTION 18 -- COOPERATIVE PROCUREMENT

18.1 General:

Cooperative procurement is a process by which two or more jurisdictions cooperate to purchase items from the same vendor. This form of purchasing has the benefits of reducing administrative costs, eliminating duplication of effort, lowering prices, sharing information and taking advantage of expertise and information that may be available in only one of the jurisdictions.

Cooperative procurement transactions must be legitimate and enforceable. There must be mutuality of understanding between buyers and sellers and a commitment on the part of participants in the cooperative procurement process to purchase from the successful vendor.

"Shopping" cooperative contracts (using one jurisdiction's contracts to bargain with other vendors) is considered an unethical purchasing practice. City employees shall not engage in this practice.

18.2 Authority:

- A. The Purchasing Manager is authorized to participate in, sponsor, conduct or administer a cooperative procurement agreement with one or more other public bodies in order to combine requirements, increase efficiency or reduce administrative expenses. Participation in cooperative procurements as described in this section is exempted from competitive bidding and advertising requirements.
- B. The Purchasing Manager is authorized to use the Colorado Division of Purchasing or political sub-divisions of the State or other governmental entities in the purchase of supplies, materials or equipment when such actions shall serve the best interest of the City.
- C. If the Purchasing Manager determines that another jurisdiction or coop has entered into a competitive contract that allows participation by the City ("piggy-backing"), the City may make purchases from such contract(s).

SECTION 19: CITY PRIVATIZATION AND COMPETITIVE POLICY

19.1 Purpose:

The purpose of this Section is to set forth and establish policy and general guidelines for a privatization and competitive City procurement policy.

19.2 Background:

The following privatization and competitive procurement policy has been established as a management tool for the City to use in achieving its goal of being a model of effective, efficient and responsive municipal government, working in partnership with the private sector. Effective use of this management tool shall enhance the City's ability to ensure the most cost effective and beneficial expenditure of taxpayer dollars by utilizing the best talents, ideas and resources from both the public and private sector.

19.3 Policy:

The City of Grand Junction's policy is to utilize the most beneficial methods from the public and private sectors to provide quality services and products to its citizens. When practicable, the City shall utilize a comparative cost and benefit analysis process with the private sector. Privatization of a "Core Competency" service or operation (i.e. policy-making position/operation or functions required by statute to be performed by a government employee, etc.) shall not be considered.

19.4 Guidelines:

When directed by the City Manager, the Department Director and/or Purchasing Manager shall prepare a written feasibility study for the privatization of a service or operation performed by City employees. The study shall be returned to the City Manager for final feasibility determination. If the City Manager determines that it is feasible, the process shall continue with the preparation of an Invitation for Bids or Request for Proposals.

19.5 City's Cost Comparison Methodology:

The City's cost comparison methodology is based on the avoidable costs approach and shall include in the computations only those costs that the City shall no longer incur (i.e., avoid) by contracting out.

19.6 Public/Private Competitive Process:

The steps and responsibilities during the public/private competitive process is similar to the traditional purchasing process except for the fact that a bid/proposal from a City department is included. Because a City operating department is participating in the competition, two additional steps must be taken by the City to establish the credibility of the City proposal. Those steps are (1) certification of the City proposal and (2) a post-implementation audit of the service provider.

A. Steps in Competitive Process:

1. Identify privatization target areas, such as:
 - a. New services that have never been provided before that shall require an increase in capital investment and or full-time employee increases;
 - b. Services or operations that are commonly provided in the private sector marketplace;
 - c. Areas experiencing high personnel attrition/turnover;
 - d. Areas of documented poor service or a high volume of customer complaints;
 - e. Areas that have the greatest potential for cost benefits;
 - f. Pilot program(s) to measure comparative cost benefits of internal to external (privatized) performance; and,
 - g. Extraneous/fringe tasks not directly related to primary mission.

2. Identifying Service and Associated Costs

- a. When the decision to use the competitive process is made, the operating department shall specify the service to be evaluated. That department is then responsible for notifying the parties that shall be affected by the process; these include the City Council, City Manager, Administrative Services (Finance) Director, City Auditor and City Attorney. All of these City officials shall need to prepare for their roles in the process.
- b. Operating department personnel shall identify costs by determining the resources required and the method to be used for delivery of the service. The City Comptroller then assists the operating department in identifying the costs of resources that shall be needed to deliver the service.

3. Preparing Bid Specifications for Privatization of City Provided Service

The Purchasing Division prepares the bid specifications utilizing the Final Scope of Work (Services) for service delivery prepared by the Department Director and his staff.

4. Certify City Cost Proposal

The City's Finance Division receives and tests the City proposal for reasonableness of proposed costs prior to competitive submission.

5. Open Bids and City Cost Proposal

On the filing date for proposals, the Purchasing Manager opens and announces the proposals, including the City proposal. The City Manager appoints an evaluation committee that reviews all proposals. The evaluation committee assesses the cost, service level and management control issues after studying all bids and the City proposal and prepares a written recommendation that is forwarded to the City Manager and Purchasing Manager. A final recommendation is prepared by the Purchasing Manager for presentation to City Council.

6. Award Contract

The City Manager and City Council make the final selection after reviewing the bids submitted, the City cost proposal and the recommendations of the evaluation committee. If the service shall be provided by the private sector, contracts are signed. If the service shall be provided by City staff, the City proposal and bid specifications shall serve as a performance contract.

7. Monitoring or Supervision

The operating department is responsible for monitoring the contract if a private proposer is selected or for supervising the service delivery if City staff are selected to provide the service. Contract monitoring shall involve an inspection function, a system for providing feedback to the Contractor on service levels, coordination of payments to Contractor and recordkeeping on contract requirements, such as insurance. **In all cases, the operating department retains responsibility for providing the service to the citizen.**

19.7 Computing the Cost of In-house Service Delivery:

The following four (4) cost categories together compose the total cost of in-house service delivery (see following model, #5):

1. **Personnel costs.** Personnel costs are the annualized salaries, wages and fringe benefits of all full-time and part-time staff involved with the in-house delivery of the target service or activity.
2. **Non-personnel costs.** Non-personnel costs include travel, utilities, printing and reproduction, contractual services, maintenance and repair, materials and supplies and other costs associated with in-house delivery of the target service or activity.
3. **Overhead (indirect) costs.** This category includes the support and shared costs that are not 100 percent chargeable directly to the in-house delivery of the target service or activity. The City shall use two (2) classes of overhead costs: (a) operations overhead and (b) general and administrative overhead.
 - a.) Operations overhead refers to those indirect costs incurred by the first supervisory level above and in support of the target service or activity.
 - b.) General and administrative overhead refers to all other indirect costs, exclusive of operations overhead, incurred in support of the in-house delivery of the target service or activity. Examples of general and administrative overhead cost include those costs incurred in support of the target service or activity by such City departments as Finance, Personnel, Purchasing, City Attorney, Risk Management, etc.

<p>Note: Only those operations overhead costs and general and administrative overhead costs that shall be avoided if the target service or activity is contracted out are considered.</p>
--

4. **Depreciation costs.** The depreciation of capital assets (facilities and equipment) used in significant amounts for the in-house provision of a target service or activity.
5. **Total in-house costs.** The total avoidable personnel, non-personal, indirect and depreciation costs; this sum constitutes the “total in-house performance costs” and is compared to “contract performance costs” (see Cost Comparison Form - Section 12.9, Exhibit “C”).

19.8 Computing the costs of Contract Service Delivery:

The City shall use the following six (6) cost categories that together shall constitute the total cost of contract service delivery:

6. **Contract price.** This is the price or cost that a prospective contractor proposes to charge to provide the target service or activity.
7. **Contract administration costs.** These are the costs incurred in letting bids and proposals and in managing the resulting contract(s) until the service or activity is completed and final payment is made.
8. **Onetime conversion costs.** These costs are incurred when City service or activity is converted to contract service delivery. Onetime conversion costs include:
 - a. *Personnel related costs*, such as unemployment compensation, accrued PTO benefits owed City employees and any other severance-type costs;

- b. *Material-related costs* associated with the preparation and transfer to the contractor of any City-furnished facilities and equipment; and,
 - c. *Other costs*, such as penalty fees for terminating leases or rental agreements and the costs of holding unused or underused facilities or equipment until other uses can be found or until they are sold or leased.
9. **Revenue.** This includes any new revenue stream or increased revenue stream (e.g., rents, lease payments or parking facility revenues) that results from contracting out. Revenue is treated as a *deduction* from the cost of contracting out.
10. **Disposal of assets.** The net disposal value is computed by subtracting from the estimated salvage value of the cost of disposal of any assets made redundant by contracting out. If the net disposal is positive, the amount is treated as a deduction from the cost of contracting out. But if this value is negative, the amount is treated as a cost of contract service delivery.
11. **Local income tax.** The new revenues to be generated by transferring a service or activity to the private sector are entered as a *deduction* from the cost of contracting out.
12. **Total contract performance costs.** The total costs are the contract price, plus contract administration and a one-time conversion costs minus revenue and City income taxes, plus or minus disposal of assets costs. These cost data are transferred to the Cost Comparison Form.

19.9 Cost Comparison Form:

The major cost categories, for both in-house and contract service deliveries, employed by the City in its cost comparison methodology are detailed on the City's cost Comparison Form. While the form is essentially self-explanatory, two aspects do warrant some special mention: performance periods and cost comparison ratio.

1. Performance Periods. The cost Comparison Form provides space to carry out the cost analysis for up to three (3) performance periods. A performance period is one fiscal year or contract year. Several reasons exist for extending the cost comparison beyond one performance period. First, the full cost savings may not be realized in a single performance period. Secondly, one-year comparisons cannot account for changes in public and private wage increases preprogrammed for several years into the future.
2. Cost Comparison Ratio. The cost comparison ratio (line 13) is designed to establish a threshold below which a change in service delivery from in-house delivery to contract may simply not be warranted. While the change in service delivery mode is theoretically justifiable on the basis of any cost savings, as a practical matter the cost savings should be sufficient to justify the organizational upheaval that also occurs. The City of Grand Junction by this reference establishes a cost savings threshold of ten percent: contracting out must generate at least a ten percent cost savings for the City to deem the change worthwhile.

CITY OF GRAND JUNCTION
Administrative Services Department

COST COMPARISON FORM
In-House vs. Contract Performance

Department _____.

Service Under Study _____.

<i>In-House Performance Costs</i> Ref.*	(A)	(B)	(C)	(D)	(E)
	1st	2nd	3rd	Total	
1. Personnel Costs					
2. Non-Personal Costs					
3. Overhead Costs					
4. Depreciation Cost					
5. TOTAL IN-HOUSE COST					

<i>Contract Performance Costs</i>					
6. Contract Price					
7. Contract Administration Cost					
8. One-time Conversion Cost					
9. Revenue					
10. Disposal of Assets					
11. City Income Tax (deduct)					
12. TOTAL CONTRACT COST					

Decision

13. Cost Comparison $\frac{\text{Total In-House Cost (Line 5, column D)}}{\text{Total Contract Performance Cost (line 12, Column D)}} = \text{_____}\%$

A percentage on line 13 equal to or greater than 110% supports a recommendation to contract performance.

Cost Comparison Decision (check one) Accomplish In-House _____.
Accomplish by Contract _____.

*
*
*
*
*
*
*

*Use this area to footnote where supporting documentation may be found.

SECTION 20: TERMS AND DEFINITIONS

20.1 Terms and Definitions:

Account Payable: A debt owed that arises in the course of business transaction (e.g., invoices, claims and bills; for materials received but not yet paid).

Account Receivable: A claim against a debtor usually arising from sales or services rendered.

Agent: One acting for another, called principal, in dealing with third parties.

A/E: All professional services associated with the research, design and construction of facilities.

Bid: A competitive price offer made by an intended seller, usually in reply to an invitation to bid. A price offer made at a public auction.

Bid Bond: An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event of specific award bidder fails to sign the contract as bid.

Bid Deposit: A sum of money or check, deposited with and at the request of the City to guarantee that the bidder (depositor) shall, if selected, sign the contract as bid. If the bidder does not sign the contract, the deposit is forfeited in the amount of the deposit.

Bid Opening: The act of publicly removing bids from the bid box, opening the bid envelopes and making available, for public inspection, the bids received.

Blanket Agreements: Contracts that establish the commitment of a vendor to furnish the purchaser's (City) requirements for items or services on an as-required, over-the-counter basis.

Blanket Order: Generally specifies prices, terms, conditions and the period covered, but does not specify the quantity. Shipments are made against releases.

Brand Name Description: A description that identifies a single item or source for a product or service on a proprietary basis. Products are usually referenced by model or part number.

Centralized Purchasing: A system of purchasing in which all Purchasing authority, responsibility and control of purchasing activities is concentrated in one administrative unit.

Change Order: Purchaser's written modification or addition to a purchase order.

City: City of Grand Junction, State of Colorado

Collusion: A secret agreement or cooperation between two or more persons to accomplish a fraudulent, deceitful or unlawful purpose.

Commodity: a transportable article of trade or commerce that can be bartered or sold.

Competitive Sealed Bid: The offer of firm bids by individuals or firms competing for a contract, privilege or right to supply specified services or merchandise. Bids are submitted in sealed envelopes to prevent dissemination of the contents before the deadline for the submission of all bids; required on major procurements expected to cost at least ten thousand dollars (\$10,000) to ensure fair competition among bidders.

Conflict of Interest: The actual or potential conflict in which a person may gain from (or holds interest in) a company doing business with his employer.

Contract: An agreement, enforceable by law, between two or more competent parties, to do or not to do something not prohibited by law, for a consideration. Any type of City agreement, regardless of what it may be called, for the procurement or disposal of supplies, services or construction.

Contract Administration: The management of all actions, after the award of a contract, that must be taken to assure compliance with the contract; e.g., timely delivery, acceptance, payment, closing contract, etc.

Contractor: Contractor means any person having a contract with the City.

Delivery: The formal handling over of property; the transfer of possession, as by carrier to purchaser.

Department Director: Shall include the following positions: City Attorney, Public Works and Utilities Director, Administrative Services Director, Parks and Recreation Director, Police Chief, Fire Chief, Community Development Director and Visitor and Convention Bureau Director.

Division Managers: Shall include exempt City employees with position titles, not limited to, including Assistant Director, Manager, Superintendent or Supervisor and exempt officers of the Police and Fire Departments.

Emergency Purchase: An *emergency purchase* is a purchase made in an exigency, made under special procedures, designed to meet the emergency. Bona fide emergency purchases are made to protect the public health of citizens or when immediate repair is necessary to prevent further damage to public property, machinery or equipment. In addition, a bona fide emergency purchase is when the functioning and operation of a City department would be seriously hampered or delayed through use of the normal requisitioning/purchasing process.

Evaluation of Bids: The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements and other characteristics of the bid relating to the selection of the award bid.

Formal Advertising: The placement of a notice in a newspaper or other media according to legal requirements to inform and solicit the public that the City is requesting bids on specific purchases it intends to make.

Formal Bid: A bid which must be submitted in a sealed envelope and in conformance with a prescribed format to be received and opened publicly at a specified time.

Formal Contract: An agreement, enforceable by law, between two or more competent parties, to do or not to do something not prohibited by law, for a consideration.

Immediate Family: A spouse, children, parents, brothers and sisters and any other person living in the same household as the employee.

Informal Bid: A request for price quotation (3) for a commodity or service that does not require advertising, a sealed bid, public opening or reading of bids. Appropriate method for purchases costing between \$5,000 and \$10,000. Competitive informal quotes are **strongly recommended** for all purchases.

Invoice: Seller's itemized document stating prices and quantities of goods and/or services delivered and sent to buyer for payment.

Invitation for Bids (IFB): Means all documents, whether attached or incorporated by reference, utilized for soliciting bids.

Lease Purchase Agreement: An acquisition contract in which the lease's periodic payments or parts thereof are applied both to fulfill the lease obligation and as installments for equity and eventual ownership of the commodity upon completion of the agreement.

Net Price: Price after all discounts, rebates, etc. have been allowed.

Non-budgeted Purchase: Purchase of materials or services of benefit to the City even though the particular performance has not been budgeted for within a department so long as the expenditure shall not cause the program or division of the budget to be over-expanded.

Non-Responsive Bid: A bid that does not conform to the mandatory or essential requirements of the invitation for bid.

Not Low Bidder: Award of a bid to a supplier that did not submit the low responsive bid.

Obsolete: No longer in use, discarded, out of date.

Official Responsibility: Administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove or otherwise affect a procurement transaction or any claim resulting therefrom.

Open Market Purchase: A purchase in an amount less than \$5,000 which is made by buying from any available source, as opposed to buying from a vendor who has responded to an invitation to bid.

Pecuniary interest in or arising from the Procurement: A personal financial interest, generally a monetary gain.

Performance Bond: A contract of guarantee executed subsequent to award by a successful bidder to protect the City from loss due to his inability to complete the contract as agreed.

Performance Specification: A specification setting forth performance requirements that have been determined to be necessary for the item involved to perform and last as required.

Petty Cash Check: City checks to be used for open market purchases in an amount less than one hundred dollars (\$100) and made in accordance with established policy and controls.

Pre-Bid Conference: Meeting held with prospective bidders prior to solicitation of bids or proposals, to recognize state of the art limits, technical aspects, specifications and standards relative to the subject and elicit expertise and bidders interest in pursuing the task.

Prequalification of Bidder: The screening of potential vendors in which a City considers such factors as finances, reputation, management, etc. in order to develop a list of vendors qualified to bid on City contracts.

Privatization: Privatization/outsourcing is a contractual relationship with an outside vendor to assume responsibility for one or more government processes, functions and/or services.

Procurement: Means buying, purchasing, renting, leasing or otherwise acquiring any supplies, services or construction. "Procurement" includes all the functions that pertain to the obtaining of any supply, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.

Procurement Transaction: All functions that pertain to the obtaining of any goods, services or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.

Proprietary Information: Defined as any information which is not generally known to competitors and which provides a competitive advantage. Unrestricted disclosure of proprietary information places it in the public domain.

Proprietary Article: An item made and marketed by a person or persons having the exclusive right to manufacture and sell it.

Protest: A complaint about a City administrative action or decision brought by a bidder or vendor to the appropriate administrative section with the intention of receiving a remedial result.

Public Employee: Any person employed by the City, including elected officials and appointed members of boards and commissions.

Purchase Order: A purchaser's written document to a supplier formally stating all terms and conditions of a proposed transaction.

Purchasing:..Purchasing Division, a division of the Administrative Services Department.

Purchasing Manual: Documents which set forth the City's rules and regulations for the Purchasing Division's relations with suppliers and with other departments and prescribes the procedures to follow.

QBS: Qualification-based selection is a process utilized by the City for the selection of design professionals.

Quotation: Generally a sales proposal including price, sales terms and conditions; a price statement as an offer; a bid.

Recycled Paper: Paper made from waste paper products.

Request for Proposal (RFP): A request for an offer by one party to another of terms and conditions with references to some work or undertaking. "RFP" means all documents, whether attached or incorporated by reference, utilized for soliciting proposals. Also known as competitive negotiation.

Request for Quotation: A form of informal solicitation including obtaining oral or written quotes from vendors without formal advertising and receipt of sealed bids. Normally used for purchases where statutes do not require formal sealed bids but is considered good business practice to establish price competition.

Requirements Contracts: An indefinite-quantity agreements in which the purchaser is obligated to order and the vendor is obligated to supply all of the purchaser's normal requirements for a specified price during a specified period.

Requisition: An internal document by which a functional department such as stores, maintenance, production, sends to the Purchasing Division details of materials to meet their needs, replenish stocks or obtain materials for specific jobs or contracts.

Responsible Bidder: A person who has the capability in all respects to perform fully the contract requirements and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment and credit which shall assure good faith performance.

Responsive Bidder: A bidder whose bid does not vary from the specifications and terms set out by the City in the bid documents.

Scrap: Material that is damaged, defective or deteriorated to the extent that it has no value except for its basic material content.

Sealed Bid: A bid submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission of all bids; usually required by the purchasing authority on major procurements to ensure fair competition among bidders.

Service Contract: A contract that calls for a contractor's time and effort rather than for a concrete end product.

Services: Services means the furnishing of labor, time or effort.

Software: A set of programs, procedures and possibly associated documentation concerned with the operation of a data processing system. Contrast with hardware.

Sole Source Purchase: The purchase of a commodity which can only be purchased from one supplier, usually because of its technological, specialized or unique character.

Solicitation: The process of notifying prospective bidders that the City wishes to receive bids to provide goods or services. The process might consist of public advertising, the mailing of invitations for bids, the posting of notices, telephone calls to prospective bidders, etc.

State: State of Colorado.

Tabulation of Bids: The recording of bids and bidding data that was submitted in response to a specific invitation for the purposes of comparison, analysis and record-keeping.

Term Contracts. Contracts which establish a source of supply for a good or service for a specified period of time.

Transaction: Any matter under consideration or considered by a public employee on which official action is taken or contemplated.

User Agency: Any department, commission, board or public agency requiring supplies, services or construction procured pursuant to the City's purchasing rules and regulations.

Vendor. Any firm, individual, corporation, agent or company who may desire to quote on the City's requirements or who wants to purchase items offered for sale by the City; a supplier.

SECTION 21: PRINTING

21.1 City Print Shop Responsibilities:

The Purchasing Division maintains an in-house Print Shop designed and equipped to handle most City duplication and reproduction work. All internal City documents to be produced outside the using agency shall be reproduced by the City Print Shop unless it is determined by the Purchasing Manager to be in the best interest of the City to contract out the job. If the size of the job requires competitive pricing according to City policy, solicitations will be required.

21.2 Departmental Responsibility:

User agencies are required to complete a Print Shop Request Form (Form K) which shall be attached to the job (originals) and sent through inter-departmental mail to the Print Shop. Jobs shall be processed in the order received.

The requesting party should furnish a copy or camera ready original of the form that is to be reproduced. The copy should be carefully scrutinized to eliminate obsolete or erroneous information. The quantity ordered should allow the advantage of economical longer runs, but at the same time, guard against waste through obsolescence.

It is the responsibility of the user department to have their print jobs **camera ready** prior to submission to the print shop. **The Print Shop does not provide graphic services. Print jobs that are not camera ready will be returned to the requesting agency.**

21.3 Contractual Printing:

Printing requirements that are not economical or efficient to reproduce in the City of Grand Junction Print Shop may be offered to private, full-service printing firms. Requesting departments that desire reproduction work from external print shops shall initiate an order request for the printing required. The Purchasing Manager must approve all contracted printing requirements and they are subject to the competitive bid conditions as published in this policy manual.

SECTION 22: DISPOSAL OF SURPLUS PROPERTY

22.1 General:

The final step in the procurement cycle is disposition of an item or items when they are no longer useful to the City. The timely identification of surplus and obsolete material(s) is essential to an effective disposition program. Delayed identification ties up capital, results in higher maintenance and salvage costs and further deterioration of items.

22.2 Policy:

The Purchasing Manager is authorized to conduct and monitor the City's surplus property program. The following are the City's general policies for disposition of surplus:

- A. The Purchasing Manager may require Division Managers to provide periodic departmental reports of all supplies which are no longer used or which have become obsolete, worn out or unusable.
- B. The Purchasing Manager shall have authority to transfer stock or other surplus inventory items or surplus equipment that has become unsuitable for public use.
- D. All sales shall be made to in the best interest of the City .
- E. The Purchasing Manager has authority to forego an auction or sealed bid process when the surplus material(s), supply(s) and equipment has a resale value under one hundred dollars (\$100.00); such property may be disposed of by negotiated sales to other governmental entities or non profit organizations as is in the best interest of the City.

22.3 Methods of Disposal:

When items become excess, obsolete or surplus, the using Department must report them to the Purchasing Division. In cases of disposal of items with an original purchase cost of \$5000 or more, the Accounting Division shall be notified in order to update the Department's Fixed Asset Accounts. The following are the methods of disposition that may be used for the items:

- A. Transfer: Transferring to another Department with a use for the item is the best method of disposition. The Purchasing Manager periodically shall circulate a list of items available for transfer. A Department wishing to accept an item available for transfer shall notify Purchasing and receive approval for the transfer. Both the transferring and receiving Departments must update their inventory records to document the disposition of the item.
- B. Sale: There are several methods of selling excess and surplus items.
 - (1) Auctions. The City contracts with auctioning services to sell items to the highest bidder at advertised public auctions.
 - (2) Sealed Bids. The Purchasing Manager may determine that items shall be sold at sealed bid sale. Public notice of the sale is made and solicitations are mailed to prospective bidders. This method assures reaching a large number of

prospective bidders and allows potential purchasers from outside the immediate geographic area to participate in the bidding.

- (3) Commercial Markets. The Purchasing Manager may determine that items may be offered for sale by consignment to established commercial markets. Candidates for this method of sale include antiques, art and specialized equipment.
 - (4) Sale of Scrap. Many items that are no longer usable may have a residual value. The Purchasing Division may arrange for the sale of scrap items with the money returned to City's general fund.
 - (5) Posted Prices. From time to time, where there is no regular market and demand is erratic, an item may be marked with a pre-established price and sold to the public on a first-come basis.
- C. Trade-in: The Purchasing Manager may determine that it is advantageous to the City to seek bids on replacement items with the bidders allowing/offering trade allowance and no trade allowance pricing. Award may be made in the manner that is most advantageous to the City.
- D. Cannibalization: Disassembling an item to use its components for repair or maintenance of a similar item is authorized only if cannibalization has more value and benefit than disposal or trade-in of the item. The Purchasing Manager must grant approval before an item is cannibalized and removed from the Department's property list.
- E. Donation: **Only the City Council** may dispose of an item by donation to a party outside of City government if the item has a value in excess of five thousand dollars (\$5,000). Items valued at less than \$5,000 shall be approved by the City Manager.
- F. Waste Disposal Hazardous Materials: There are strict federal and state laws regarding the disposal of hazardous materials. Departments that generate hazardous materials shall use City contracts for the proper disposal of these materials. Disposal of Hazardous Materials shall be directed by the City's Fire Chief or Environmental Specialist. Departments shall contact the Fire Chief or Environmental Specialist before moving, transferring or selling any hazardous materials.

22.4 Allocation of Proceeds:

Unless otherwise directed by the City Council or required by a grant, the proceeds from the disposition of surplus or excess property shall be deposited in the City's general fund.

22.5 Sales to Employees:

To avoid any appearances of impropriety in the disposition program, employees of the City may not purchase items unless the sale is to the highest bidder at a public auction or by sealed bid after appropriate public notification of the sale.

22.6 Documentation:

Surplus Property Report -- (Form D) is used to report a surplus or excess item to the Purchasing Division. This form is required to report the transfer or disposition of an excess item with an original purchase price of five hundred dollars (\$5000) or more or when equipment was purchased with grant funds.

22.7 Disposal of Grant Funded Equipment:

When equipment was purchased using funds from State or Federal grant funds, the provisions of the grant must be followed during disposal. It is the disposing Department's responsibility to notify Purchasing at the time of the Surplus Property Report of any grant provisions that must be followed. If required by the grant provisions, proceeds from disposal may be returned to the grant-funding agency.

SECTION 23: CITY STORES (INVENTORY WAREHOUSE)

23.1 Purpose:

City "Stores" is a central warehouse in which common-use commodities, items used by more than one department, are stored and issued on an "as needed" basis to requesting divisions. The primary function of Stores is to maintain immediate availability of commonly used materials and supplies. Stores secondary function is to warehouse emergency back-up supplies and provide for the storage and retrieval of historical City records. Emergency back-up supplies are those supplies that are critical to the continued operation of the City and have long delivery lead times. Stores also serves as a central delivery point to receive goods and to assure that appropriate inspection and delivery when required.

All departments shall notify Stores of anticipated special order demands far enough in advance so that Stores may have the additional items on hand when needed.

23.2 Required Usage:

Items available through Stores **shall not** be purchased from outside vendors without permission of the Purchasing Manager or a Senior Buyer. Outside purchases shall require price or quality justification.

23.3 Stores Catalog:

A Stores Stock Catalog containing the descriptive listing of items and item numbers shall be published and maintained by the Purchasing Division. Catalogs are furnished to all using departments and agencies as required.

23.4 Stores Requisition Form:

Departments and agencies requesting delivery from Stores inventory shall use the Stores Requisition Form (FSAREQN). Once this form is completed and approved, the Banner system automatically reserves from Stores inventory the requested items. You may cancel a Stores Requisition at the "header" level if there are no issues against the requisition. **THIS IS THE PREFERRED METHOD TO OBTAIN GOODS FROM STORES.**

The Stores Inventory Worksheet (Form G) is provided to facilitate inter-office Stores requisitions. Use of the worksheet is recommended for reference when entering Store's Requisitions into the Banner System.

23.5 Stores Window Pickup:

Items may be picked up at Stores during the hours of 7:30 A.M. to 4:00 P.M. Monday through Friday. Stores hours will be changed to comply with summer work schedules. **Recipients of over-the-counter issues are required to have departmental authorization and the account number to which the item(s) shall be charged.**

23.6 Delivery Times:

Departments requesting supplies from Stores shall receive their deliveries on Tuesday and Thursday each week, provided Stores Requisition Forms are received in the Purchasing Division a day in advance.

23.7 Inventory Control:

The proper functioning of an inventory accounting system demands that all materials and supplies received, issued and on hand be accounted for, both in quantities and values and that, periodically, the inventory records and accounts be verified by actual physical inventory. Once a year, generally December, Central Stores shall close for several days to conduct a complete physical inventory.

The Purchasing Division shall be responsible for conducting periodic inventories to:

- ensure accurate record accountability;
- support the value of inventory shown in the fund balance sheet;
- disclose the possibility of fraud, theft or loss; and,
- reveal any weakness in the system for the custody and control of inventory.

SECTION 24: FORMS

24.1 Forms List

Form A - Sole Source Request Form

Form B - Purchase Order Worksheet

Form C - Purchase Requisition Worksheet

Form D - Surplus Property Reduction Form

Form E - Field Check

Form F - Certification of Informal Quotes Form

Form G - Stores Requisition Worksheet

Form H - Partial Payment Form

Form I - Purchase Order Change Request Form see 4.4

Form J - Change Order Request Form

Form K - Print Shop Request

Form L - Requisition Form (also used for Stores orders)

Form M - Computer Hardware/Software Request

[Form N - Purchasing Card Information Record](#)

Form O - Purchasing Card Dispute Form

Form P - Declaration of Forgery or Unauthorized Use

Form A

**CITY OF GRAND JUNCTION
SOLE SOURCE JUSTIFICATION FORM**

Date: _____ Requested By: _____
Department: _____ Division: _____
Vendor Name: _____ Net Cost Delivered: \$ _____

**SOLE SOURCE JUSTIFICATION
(INITIAL ALL ENTRIES THAT APPLY)**

Material/Service Description: _____.

1. ____ - The Vendor is the original equipment manufacturer and there are no regional distributors;
2. ____ - The product, equipment or service requested is clearly superior functionally to all other similar products, equipment or service available from another manufacturer or vendor;
3. ____ - The over-riding consideration for purchase is compatibility or conformity with City-owned equipment in which non-conformance would require the expenditure of additional funds.
4. ____ - No other equipment is available that shall meet the specialized needs of the department or perform the intended function; or
5. ____ - Detailed justification is available which establishes beyond doubt that the Vendor is the only source practicably available to provide the item or service required.
6. ____ - Detailed justification is available which proves it is economically advantageous to use the product, equipment or service.

I recommend that competitive procurement be waived and that the service or material described herein be purchased as a sole source.

Departmental Approval:

Signed: _____, _____, _____
title title date

Purchasing Approval:

Based on the above and attached documents, I have determined this to be a sole source with no other vendor practicably available.

Purchasing Manager Approval: _____ Date: _____

Final Authorization

City Council Approval Required (\$25K and over) yes / no
City Manager Approval Required (\$10K to less than \$25K) yes / no

Attach Justification Documentation and Forward to City Purchasing Manager

CITY OF GRAND JUNCTION
REPORT OF PROPERTY AND EQUIPMENT REDUCTION
Instructions: Complete form for each item, return to Purchasing Manager

Item Description:

Identification/Serial No.:

Date of Disposition: _____.

Method of Disposition:

Y Trade in - new equipment acquired: _____

\$ _____ Allowance.

Y Sold - Sale conducted by: _____

\$ _____ Received.

Y Transfer - Agency/Dept. receiving: _____ \$ _____ Est.
Value

Y Other - explain:

Removed From: Department _____ Division

Reported By: _____ Signature: _____ Date:

_____ Print Name

Item Description:

Identification/Serial No.:

Date of Disposition: _____.

Method of Disposition:

Y Trade in - new equipment acquired: _____

\$ _____ Allowance.

Y Sold - Sale conducted by: _____

\$_____Received.

Y Transfer - Agency/Dept. receiving: _____ \$_____Est.
Value

Y Other - explain:

Removed From: Department _____ Division

Reported By: _____ Signature: _____ Date:

Print Name

PURCHASE ORDER CHANGE REQUEST FORM

City of Grand Junction, Colorado

Header Data

PO# _____ Vendor Number/Name: _____
Date of PO: _____ Department/Division: _____

Requested Change Description

Reason for Requested Change

Departmental Authorization

Signed: _____ **Title:** _____ **Date:** _____

For Purchasing Division Use Only:

Approved by: _____ *Date:* _____ *Change Entered by:*
_____ *Date:* _____

Form G

STORES REQUISITION WORKSHEET
Store Requisition No.: _____

Department/Division: _____ Requested By: _____
_____ Phone: _____
Signature _____ Printed _____
Order Date: _____ Requested Delivery Date: _____ Departmental Authorization By: _____

Qty	Commodi	Item Description	Fun	Org	Acct. #	Prog	Activity	Extende	Order

For Stores Personnel Only

Order Filled By: _____ Date: _____ Delivered By: _____ Date: _____

City of Grand Junction Purchasing Division

2549 River Road, Grand Junction, CO. 81505-7209

CERTIFICATION OF INFORMAL QUOTATIONS

Requisition No.: _____ **Department:** _____ **Requestor:** _____

Method of Solicitation: Telephone FAX Informal Bid ← **Attach any documentation.**

QTY	DESCRIPTION	VENDOR 1	VENDOR 2	VENDOR 3
TOTALS				

Vendor 1: _____ Person Contacted: _____

Vendor 2: _____ Person Contacted: _____

Vendor 3: _____ Person Contacted: _____

Comments regarding Vendor's Bid (brand/manufacturer info., payment and delivery terms, warranty terms and etc.):

AWARD and Delivery Information

Low responsive and responsible bidder:

FOB Delivery to: _____

Delivery ARO: _____ days

Method of Payment: Y Purchase order # _____

Y Purchase card _____

Buyer Initials

Prepared By: _____

Date: _____

CITY OF GRAND JUNCTION

*******REQUEST FOR CHANGE ORDER*******

Department/Division: _____ Project Manager: _____

Project/Contract: _____ Purchase Order No.: _____

Change Order Request Number ____ of ____ Acct. No.: _____

_____ Acct. No.: _____

- A. Original PO/Contract Amount: \$ _____
- B. Requested Change Order Amount: \$ _____
- C. Total Change Orders to Date: \$ _____
- D. New PO/Contract Amount (A+B+C) \$ _____
- E. Percentage Change (B+C/A) \$ _____

Reason for Change Order (Attach complete cost and pricing data, contractor/vendor statements and other information supporting request)

- Y City (Owner) initiated change.
- Y Errors and Omissions of A/E.
- Y Unforeseen conditions the responsibility of the City (Owner), not the contractor/vendor.
- Y New laws or permitting requirements imposed.
- Y Change in technology
- Y Acts of God, too much rain, etc.
- Y Other: _____

I certify that unencumbered funds are available in the above account(s) and that the change order is proper and in the best interest of the City (Owner).

_____, _____
Name Title

For Purchasing Division Use

- a. Change Order Allowed by Original Solicitation/Contract: Yes/No
- b. Change Order is acceptable, appropriate and in the best interests of the City: Yes/No

Signed: _____ Date: _____

Approval Required: Y City Council Y City Manager
