

**DOUGLAS COUNTY GOVERNMENT
POLICY FORM**

SUBJECT PURCHASING	POLICY NO. III.1.1
TITLE PURCHASING OF GOODS AND SERVICES	APPROVAL DATE 1/22/91
	REVISION DATE 5/18/04

PURPOSE: To ensure the efficient use of taxpayer dollars through market competition, adherence to budget through encumbrance of committed funds, and compliance with State statutes.

DEPARTMENT RESPONSIBLE: Finance Department

DEPARTMENT(S) AFFECTED: All

POLICY:

1. Compliance with State Statutes and County Policy

All expenditures shall be made in compliance with the Colorado Revised Statutes, as amended and adhere to all County policies issued relative to the purchase of goods and services and the expenditures of approved budget.

Purchases or contracts made contrary to the policies will not be binding upon the County and the person making the purchase may be held personally liable.

2. **Purchasing Authority**

Purchases of \$100,000 or less may be approved by the County Administrator. Authority to approve purchases is delegated to Elected Officials and Department Directors as follows:

Operating Supplies and Services	\$25,000
Capital Equipment	\$25,000
Construction Materials	\$50,000
Capital Improvement Projects	\$50,000

Department Directors and Elected Officials may delegate approval authority to their Division Managers with the written approval of the County Administrator. All purchases in excess of \$100,000 require the approval of the Board of County Commissioners.

3. **Competitive Bid/Quote Requirements**

Unless exempted below, purchases of individual supplies and services in excess of \$2,000 require competitive bids/quotes as follows:

- Purchases totaling \$2,000 to \$25,000 require informal quotes.
- Purchases totaling \$25,000 or more require a formal competitive bid/request for proposal.

The County reserves the right to reject any and all bids and to waive all formalities in bids, and to select, in its discretion, the bid determined to be in the County's best interest.

4. **Exceptions to Bid/Quote Requirement**

- Sole Source Vendor
- State or Federal Pricing
- Contracts with other governmental units
- Purchases through vendors selected for annual countywide award and/or standardization of computer and other equipment
- Professional services of less than \$25,000 that are selected from a pre-qualified vendor list

- Emergency purchases
- Determination of County Administrator that a negotiated contract with a single vendor is in the best interest of the County.

5. Purchase Order/Encumbrance Requirements

Unless exempted below, purchases in excess of \$2,000 that will require payment of multiple invoices over time or when payment is anticipated to be made in excess of 60 days from date of order or contract require the issuance of a purchase order and encumbrance of budget. Award of formal bids/request for proposal also require the issuance of a purchase order to document the award and encumber the committed funds.

6. Exceptions to Purchase Order/Encumbrance Requirement

- Utilities
- Contributions and grants
- Debt service and issuance costs
- Insurance
- Advertising
- Allocations to outside agencies
- Postage
- Legal and medical services
- Seminars, conferences, and related travel expenses

7. Purchase Order Change Authority

The County Administrator shall have authority to approve changes to purchase orders/contracts when the amended total amount does not exceed \$100,000. Purchase order change authority is delegated to Elected Officials and Department Directors when the amended total amount does not exceed their authorization limit for the initial purchase order/contract. Purchase order/contract changes in excess of \$100,000 must be approved by the Board of County Commissioners.

8. Prohibition Against Subdivision

No single purchase transaction shall be subdivided for the purpose of circumventing the dollar value limitation of this policy.

9. Conflict of Interest

Every county official or employee is expressly prohibited from knowingly:

- Influencing the County to enter into a purchase agreement which will benefit the official or employee either directly or indirectly
- Underestimating or exaggerating requirements to a prospective bidder for the purpose of influencing bids
- Misrepresenting the quality of a bidder's products or services

10. Rules and Administrative Procedures

The County Administrator is authorized to promulgate rules and administrative procedures to implement the provisions of these policies.