

# MORGAN COUNTY PURCHASING MANUAL

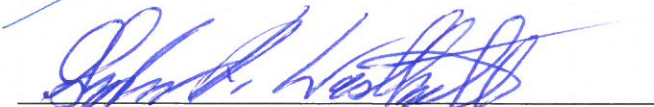
BOARD OF MORGAN COUNTY COMMISSIONERS  
MORGAN COUNTY, COLORADO

(SEAL)



ATTEST:

  
Jon J. Becker, Chairman

  
Gordon H. Westhoff, Commissioner

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Mark A. Arndt, Commissioner

  
Susan L. Bailey, Clerk to the Board

Updated January 7, 2022

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# COUNTY MISSION STATEMENT

THE MISSION OF MORGAN COUNTY:

TO ESTABLISH AND MAINTAIN SERVICES BOTH OF A  
MANDATORY AND DISCRETIONARY NATURE TO PROTECT  
THE SAFETY, HEALTH, WELFARE AND QUALITY OF LIFE FOR  
THE PEOPLE OF MORGAN COUNTY.

Adopted March 2004

Revisions: May 2009 - September 29, 2009 – April 2, 2013 – January 27, 2015 –  
February 27, 2018 – April 17, 2018 – October 2, 2018 – March 23, 2021 – January 18, 2022

## **I. POLICY STATEMENT**

Morgan County adopts this Purchasing Manual to assist each County employee who directly buys goods and services and to establish standard processes for procurement.

The County Accounting Department will assist with procedural questions and processing of paperwork, but the individual department is responsible for following County policies in purchase decisions.

The purpose of the Morgan County Purchasing Manual is to provide a framework for efficient and cost effective purchasing for all county operations. The contents of these policies and procedures do not create any property or contractual rights between the County and any supplier of goods and services.

Except as specifically authorized by applicable statute or regulation, this policy shall apply to all Elected Officials, Department Heads, employees, contractors, and agents for Morgan County. The Board of County Commissioners have the ultimate authority to purchase items and contract for services and that authority may only be delegated pursuant to the provisions of this Manual.

The Manual's primary purpose is to communicate policies and give guidance to buying personnel, personnel assigned to the purchasing function, and others with delegated purchasing authority. Generally, this Manual has been designed to:

- Comply with state or federal law, as amended.
- Encourage maximum competition on a basis of fair and equal opportunity to qualified and interested bidders.
- Provide a uniform procedure for the procurement of material, equipment, supplies and services.
- Ensure that the County is getting the "best overall value" for taxpayer dollars. Some of the factors considered when determining the "best overall value" are: 1) price, 2) warranty, 3) service quality and abilities, 4) availability, 5) past performance, 5) references.

The County's goal is to procure materials, supplies, equipment, and services at the lowest possible cost and consistent with the quality required. All authorized employees purchasing on behalf of the County are expected to use public monies wisely; therefore, any employee making any purchases must buy in an honest and prudent manner that results in getting the best product or service for the fewest taxpayer dollars.

Although all departments make purchases, please note that two departments, Administrative Services and Accounting, have specific roles in the purchasing process.

The timely completion of all the required documents results in overall efficiency of the County's purchasing process as a whole and ensures complete communication. It can also help the County take advantage of payment/price discounts.

Throughout this Manual responsibilities are defined. All general questions may be answered by referring to this Manual. If there is an exception, employees will need to address them on an as needed basis with the Accounting and/or Administrative Services Departments.

**Failure to follow the provisions of this policy may be grounds for disciplinary action or modification of budgets.**

### **RESPONSIBILITIES:**

- The Initiating Department is responsible for the procurement of goods and services, and to either provide the services for such procurement or give functional directions to others delegated the authority to perform such services. Purchases may not be made without a prior appropriation (prior appropriation may include an authorized budget item).
- The Initiating Department is responsible for initiating and maintaining effective and professional relationships with suppliers, actual and potential.
- The Initiating Department will conduct all correspondence with suppliers involving prices or quotations and any technical issues. In such cases, the Accounting Department should be provided with copies of all such correspondence. *Close communication and coordination between the Accounting Department and the Initiating Department must occur to ensure a smooth procurement process. Several items require additional review and approval prior to purchase including:*

Computer Equipment and Software  
Communication Equipment (pagers, cell  
phones, usage plans, etc.)  
Vehicle Purchases  
Building Modifications

Information Systems Manager  
Director of Communications  
  
Fleet Manager  
Building Maintenance Director

- All employees involved in purchasing activities shall practice good public relations by giving all callers and visitors courteous treatment, and will strive to maintain and enhance the County's image by their personal conduct and methods of doing business.
- Authorized purchasing personnel are to seek to obtain and purchase goods at the lowest possible total end-use cost, considering the guidelines of prices, service, quality, and delivery.
- The Initiating Department is to assume full authority to question the quality and kind of material asked for in order that the best interests of the County may be served.
- The Initiating Department shall work with the Finance Director to ensure budgetary compliance.

- An authorized signatures list will be provided to the Accounting Department indicating the employees in the various departments who are authorized to initiate requisitions for purchase and make purchases on behalf of their respective departments.
- All requisitions for purchase must be approved and signed by the initiating Elected Official or Department Head.

## **II. QUOTATION AND BIDDING PROCEDURES**

### **A. QUOTATIONS**

Below are the procedures for quotations, as established by the cost of the goods or services. Purchases shall not be divided into smaller components to avoid the requirements of a certain purchase threshold.<sup>1</sup>

#### **1. Purchases \$5,000.00 and under**

For purchases \$5,000.00 and under, it is recommended but not required, to obtain a competitive price from multiple sources. The requisition for purchase must be signed by the Department Head or Elected Official or their designee.

#### **Purchases between \$5,000.01 and \$25,000.00:**

For these purchases, verbal quotations must be solicited from three (3) sources. Quotes should be documented in the Approved Qualified Vendor (AQV) area of Requisition for Purchase form with the results of such contacts. All suppliers contacted must be listed on the form, including those suppliers that did not respond. The Requisition for Purchase form must be signed by the Department Head, Elected Official or their designee. The Finance Director will review all documentation for budgetary availability. Equipment purchases over \$5,000.00 are considered capital purchases and also require a County Asset Worksheet attached to the Requisition for Purchase form.

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<sup>1</sup> C.R.S. § 30-11-110 - State Preference on Books, Stationary, Records, Printing

It is unlawful for any board of county commissioners of any county to accept any proposal or make a purchase of any books, stationery, records, printing, lithographing, or other supplies for any officer of its county, from any person, company, or corporation having its manufactory or principal place of business outside the state of Colorado, when the same can be procured from some person, company, or corporation having its manufactory or principal place of business within this state and at a net cost which shall not exceed the amount for which such books, stationery, records, printing, lithographing, or other supplies can be procured and delivered to them by any person, company, or corporation having its manufactory or principal place of business without the state.

## **2. Purchases between \$25,000.01 and \$50,000.00:**

Informal written quotations from at least three (3) in state vendors are required, unless there are not three sources or suppliers available. Emailed or faxed quotes are acceptable. All written quotations from vendors shall be attached to the Requisition for Purchase form and the AQV section completed. If three (3) in state vendors are not available, out of state vendors may be utilized in this situation or less than two (2) sources will be accepted. Documentation of all suppliers contacted and their responses; including suppliers who could not or did not submit a quote, must be attached to the Requisition for Purchase. Equipment purchases over \$5,000.00 are considered capital purchases and also require a County Asset Worksheet attached to the Requisition for Purchase form. The Finance Director will review all documentation for budgetary availability. **Approval from the Board of County Commissioners are required for any purchases between \$25,000.01 and \$50,000.00 PRIOR to the purchase being made. Under no circumstance will exceptions be given to vary from this policy unless approved by the Board of County Commissioners. The Requisition for Purchase/Purchase Order will require two signatures from the Board of County Commissioners upon finalizing the purchase.**

## **B. REQUIREMENTS FOR PROPOSALS<sup>2</sup>**

### **1. Purchases of \$50,000.01 and over:**

The issuance of a request for proposal (RFP) is best accomplished by a cooperative effort between County Departments and the Administrative Services Department. All proposal openings, even those prepared by outside consultants, will be processed through the Administrative Services Manager. All proposals shall be opened before the public at a date, time, and place designated in the published proposal request.

### **2. When and how to prepare a formal proposal:**

The formal proposal process should be used for capital construction projects and purchases of \$50,000.01 and over.

This requirement does not apply to purchases of items under existing recognized procurement contracts, the state bid awards, computer equipment compatible with the County's network system, electricity, natural gas, or water resource items.

Any exception taken should be noted on the purchase requisition and the supporting documentation submitted.

### **3. Procedure for initiating a request for proposal:**

- a. The Initiating Department shall prepare specifications for the product or service they wish to purchase. The Administrative Services Manager can provide general guidelines

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<sup>2</sup> The use of grant funds may require special bidding processes. At any time grant funds will be used, the Department Head or Elected Official shall contact the Administrative Services Manager and Finance Director BEFORE beginning the RFP process.



or copies of previous specifications. The prepared proposal, (see bulletin board for revised templates) specifications and vendor list are then emailed to the Administrative Services Manager. **Proposal packets will be emailed to all prospective vendors unless email address is unavailable.** NOTE: If email address is not available then the proposal packet can be copied on a standard copy machine and stapled together, the Initiating Department will prepare enough copies to mail only to the vendors on the vendors list that do not have an email address. If the specifications are to be bound in any other way, the Initiating Department or division provides enough copies for mailing. This guideline also applies to any attachments (i.e. blueprints, drawings).

A Zoom meeting may need to be included in the RFP details. Department Head and Administrative Assistant will review the need before publishing RFP.

- b. The County Attorney will need to review the specifications and contract documents if the proposal is to be a construction project. The County Attorney will prepare the final papers before submitting to the Administrative Services Department.
- c. Prepare a list of potential vendor/bidders. The Administrative Services Department can assist with compiling this list. The County does not use prequalified vendors.
- d. Email complete sample contract document for vendor review, specifications, and vendor/bidders list to the Administrative Services Department, who will set a proposal opening and prepare an advertisement for the proposal after verifying with the Accounting Department that the proposed purchase has been authorized in the budget.
- e. Advertisement and publication dates will be at least ten (10) working days prior to opening date.<sup>3</sup> Exceptions to this will be allowed only under extreme circumstances as determined by the Department Head or Elected Official. Advertisements will include a brief description of the project, location where proposal documents may be secured, time, and place for proposal opening.
- f. Administrative Services Department will email/ mail proposal packages to vendors on the proposal list. The proposal will be posted on the County's website and BidNet.com.

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<sup>3</sup> C.R.S. § 43-2-209 - Contract for Work on Highways

In the event any Board of County Commissioners desires to let out any work on the county highways by contract, it may advertise in a legal newspaper in the county or post a notice in the county courthouse, for a period of not less than ten days before the contract is let for sealed proposals for performing the work. When a contract for work on highways involves expenditure of five thousand dollars or more, the Board of County Commissioners shall advertise in a newspaper as provided in this section unless such advertisement, in the judgment of the Board would be detrimental to the immediate preservation of the public peace, health, and safety. Such advertisement shall describe the work to be done and its location and shall refer all persons to the person holding the plans and specifications therefore, and such contract shall be awarded to the lowest responsible bidder, the Board reserving the right to reject any proposals proffered.



#### **4. Proposal openings:**

Proposal openings will be held at the designated office on the day and time specified in the Request for Proposal. A representative from the Initiating Department should attend the proposal opening. The Administrative Services Manager or his (her) designee will attend, open and record the findings. No proposals shall be accepted after the designated time and date of the proposal opening. A sign-in sheet will be available and should be completed by all County employees present, as well as by vendors and other interested parties in attendance.

The award of the RFP will not be announced at the time of the opening. Once opened, the proposal will be reviewed and awarded by the Board of County Commissioners at a later date.

#### **5. Proposal review:**

The Administrative Services Department will retain all original proposals, proposal summary sheet, and sign-in sheet, and will make available for review to all interested parties.

The Administrative Services Department and Initiating Department will evaluate the proposals and shall make a recommendation to the Board of County Commissioners on the awarding of the RFP.

Morgan County may grant a 5% preference to local businesses. A local business shall be a business which maintains a physical place of business in Morgan County. In the event the County receives Federal funds to pay for the project, this preference shall not apply.

#### **6. Award of proposal:**

The award shall be made by the Board of County Commissioners in the best interests of Morgan County. **The Board of County Commissioners has the sole discretion and authority to award the RFP and may choose to reject all proposals or waive any required procedures except those required by law.**

After the awarding of the RFP, the office of the Board of County Commissioners shall then process and send to all bidders either a notice of award to the successful bidder, or a thank you letter to the unsuccessful bidder(s). Should no award be made, letters of rejection will be mailed from the Administrative Services Department, along with a copy to the Board of County Commissioners and the Initiating Department. A copy of proposal tabulation and award will be sent to Finance Director.

**After notice of award**, the Initiating Department shall prepare a purchase requisition following the procedures outlined in "Preparing a Requisition".

All original proposal documents will be retained by the Administrative Services Department, where they will be kept on file in accordance with state archive rules. Prior to final award, vendor must be checked for debarment, if federal dollars are being used.

## C. CONTRACTS

A Morgan County contract template is preferred for all goods and services purchased by Morgan County. The type of goods or services will dictate the type of agreement appropriate for the purchase. Contracts are not required for purchases of \$5,000.00 and under, but the vendor and Initiating Department must complete a "Morgan County Service Vendor Form". All construction projects or any work performed on County buildings, roads and other similar public property will require the County's standard construction template contract. Services to be provided by a professional (engineer, surveyor, architect, lawyer, etc.) will require the County's professional services template contract. All other services will require the County's general services template contract. The County may also enter into a Master Services Agreement for ongoing contractual relationships when work would be subject to separate work orders. These forms may be found on the Morgan County Bulletin Board or obtained from the Administrative Services Manager. Nonstandard contracts may be used following review and approval by the County Attorney. The templates are provided for ease and should apply to most purchases; however, certain purchases or project may require modifications to the templates. Any modifications must be reviewed and approved by the County Attorney. If you have any questions regarding the appropriate type of contract, please contact the Administrative Services Manager or the Finance Director.

The use of grant funds may require special contractual provisions and proposal processes. At any time grant funds will be used, the Department Head or Elected Official shall contact the Administrative Services Manager BEFORE beginning the quotation or RFP process.

**The Board of County Commissioners retains sole authority to enter into and sign any contracts, including maintenance agreements, made on the behalf of Morgan County. This includes all Elected Officials except in those areas where the Elected Officials have specific statutory authority to enter into contracts. The Board of County Commissioner's authority may be delegated in writing or by formally adopted written policy. All contracts must be approved and signed by the Board of County Commissioners prior to work being completed.**

If the vendor is new, a completed W-9, certificate of insurance and certificate of good standing must be submitted and approved prior to the vendor doing any services or supplying any goods. The Initiating Department shall complete a new vendor request form which must be submitted to the Accounting Department which has the necessary information attached. Finance Director will check the new vendor on the [www.sam.gov](http://www.sam.gov) for debarment.

Morgan County has an overall system of contract administration to ensure proper oversight and management of procurement actions. Morgan County is responsible for evaluating contractor performance and documenting, as appropriate, whether contractors have met the terms, conditions and specifications of the contract. This may include progress inspections, inspection of good delivered, and other such methods that provide assurance that the goods or services purchased are being delivered within the scope of the contract.

### **III. CONFLICTS OF INTEREST**

No employee, officer or agent operating on behalf of Morgan County shall participate in the selection, award, and/or administration of contract if a conflict of interest, real or reputed, would be involved or such participation would violate Colorado law. In addition to the employee, officer or agent, this further includes his/her spouse/partner, and family members. Violation of this section may result in discipline for the employee pursuant to the County's Personnel Policy.

### **IV. RECEIVING, INSPECTION, REJECTION OR RETURNS**

The Initiating Department will receive and sign for the goods. If said goods conform to the requisition in terms of quantity, description, and do not appear to be defective or damaged, the receiving department will forward the packing slip and invoice, if it is received with shipment, to the Accounting Department with authorized requisition number and the receiving employee's printed name and signature on the packing slip and invoice, if included.

If delivery is made to an address other than the Initiating Department, the receiving party at the specified address must send the packing slip and invoice, if it is received with shipment, to the Accounting Department with authorized requisition number and the receiving employee's printed name and signature.

Any Department rejecting or returning merchandise that is defective, incorrect, damaged, or otherwise not to specification must notify Accounts Payable staff in the Accounting Department. Thus, the requisition is not completed and the invoice will not be paid.

To return damaged or otherwise rejected merchandise, the Initiating Department shall notify the Accounting Department, then contact the vendor and follow their return process procedure.

### **V. TYPES OF PURCHASES**

#### **A. EMERGENCY PURCHASES:**

Emergency purchases may be made when there is an existing threat to public health, welfare or safety. The Department Head or Authorized Representative shall consider this option in lieu of going through the quotation process if that process should disrupt department operations and possibly endanger the public's health and safety.

Immediate vehicle or equipment repairs or immediate maintenance of buildings for operations or physical threats to the building itself, or natural disasters are considered emergencies.

Emergency procedures shall not be used as a replacement for normal purchasing procedures except in an emergency, which is a threat to public health, safety or welfare, or to the financial interests of Morgan County.

The BOCC, the Finance Director, the Emergency Management Director, and the Administrative Services Manager may make or authorize others, either verbally or in writing, to make emergency purchases.

Morgan County Purchasing Policy  
Revision Adopted 1.18.2022



procurement of supplies, services or construction items when there exists an immediate threat to the public health, welfare or safety; provided that such emergency procurement shall be made with such competition as is practicable under the circumstances. The Department Head or Elected Official should secure by informal quotation the “best overall value” on any such materials, supplies, equipment, or services. Written documentation defining the emergency and the selection of the contractor or vendor shall accompany the Requisition for Purchase form signed by the Department Head, Elected Official, or Authorized Person.

The Finance Director, the Emergency Management Director, and the Administrative Services Manager are authorized to make or authorize others to make emergency purchases up to \$8,000, all other emergency purchases must be approved by the Board of County Commissioners.

A written record of emergency purchases should be kept in order for the Finance Department to process payment.

Abuse of this emergency purchase policy may result in discipline and revocation of the Department Head’s authorization to make emergency purchases.

#### **B. SOLE SOURCE PURCHASES:**

Use this purchasing process for procuring certain supplies and equipment such as:

- Repair/Replacement parts for, or adding to, existing equipment available only from the original source.
- Items not readily available from more than one supplier or manufacturer, either geographically, or economically.
- Computer Network: Computer hardware, software, maintenance, and supplies when determined by the Information Systems not to be competitive resources compatible to Morgan County’s computer systems.
- Maintenance Agreements: Maintenance and repair agreements for existing County systems or other equipment that may require a specific vendor to maintain the warranty or value of the equipment.
- Legal Support: Contracts or materials necessary for litigation.
- Legal Requirements: Purchases required by Colorado statute or regulations.
- At the discretion of the Board of County Commissioners, items purchased at auctions or “used” may fall under this category, ONLY with PRIOR APPROVAL and proper written documentation indicating authorization of (2) two or more of the Board of County Commissioners.

Documentation justifying the reasons for sole source purchase must be attached to the requisition form.

## VI. PREPARING A REQUISITION FOR PURCHASE

Once a vendor has been selected, complete and submit a requisition to the Accounting Department for processing and assigning of purchase order number if needed.

Accounting shall maintain an approved vendor's list for the County. A department may request the addition of a new vendor to the list by completing the New Vendor Request form and receiving a vendor number from the Accounting Department. No new vendors will be added until the vendor has been approved by the Finance Director.

You must include the following information on the requisition, or it will be returned for completion/corrections: See attached sample requisition for corresponding numbers

1. Vendor number: These can be found from vendor lists supplied by the Accounting Department. If you have any questions on the vendor number, contact the Accounting Department.
2. Vendor's Name and Address: Complete the name and address of vendor, several vendors have multiple locations or a separate remit address for payments, so it's **IMPORTANT** to include the **complete address** where payment is to be made.
3. Purchased by: State the Department making the purchase. If there is a specific grant or revenue source for the purchase it must be noted here also.
4. Delivery To: Complete the address where delivery is to be made.
5. Freight Terms: Should be FOB Destination both in terms of freight charge and who has the responsibility for the goods until they are received. If a supplier quotes "FOB Origin" or "FOB shipping point" and the merchandise is lost or damaged, the Initiating Department will be responsible for tracing the shipment and filing claims for freight damage.
6. Subcode: This is the program/subcode name for the project. Some Departments are requiring to have a program/subcode for all purchases. For a list of Departments requiring program/subcodes, contact the Accounting Department. If there is none, leave this blank.
7. GL Account Number: This is the general ledger number in your budget for this purchase.
8. Description: Description of product or service ordered.
9. Product Number: Inventory item number.
10. Quantity: Quantity ordered.

11. Unit price: Price per unit.
12. Total price: Total purchase price per line item.
13. Approvals: Each department will complete signature authorization sheets annually and forward copies to the Accounting Department. The department must communicate any changes in the interim to Accounting to avoid any questions regarding authority. Requisitions must arrive in the Accounting Department with Department Head signatures and date; if not, they will be returned without being processed.
14. Approved Qualified Vendor (AQV): Use this space to record the results of quotations (verbal or written) obtained for purchases with dollar values between \$5,000.01 and \$20,000.00. Specify vendor name, dollar amount of quote, and circle "L" for local vendors and mark the preferred vendor.
15. Prepayment: Should be used when ordering materials or services requiring a warrant to be sent in advance of receiving the items (RE: books, magazine subscriptions etc.) Place an "X" in the prepayment section of the requisition. You must document why a prepayment is necessary. The County advises against prepayment orders unless no other terms can be made. If this is to be a C.O.D. order you must notify the accounting department in advance as to when the warrant is needed and when you will be receiving the delivery. Attach copies of written quotes received for dollar values of \$10,000.01 to \$20,000.00.
16. Do not write in the vendor information section on the left side of the form, this is used by the Accounting Department.

## **VII. BLANKET PURCHASE ORDERS**

Blanket purchase orders may be used at the discretion of the Finance Director. The purpose of a blanket purchase order is to eliminate administrative costs of issuing individual purchase orders for relatively small items to vendors from whom many repetitive purchases are made and secondly to expedite the buying process by enabling the Initiating Department to issue releases against the blanket purchase order as needed.

Blanket purchase orders must not be used to avoid competitive proposal requirements.

A blanket purchase order is an agreement for purchases over a specific time period at an agreed upon amount and shall include an expiration date. Typically, this sort of agreement is made between a vendor and the Initiating Department to cover products or services needed on a recurring basis. The intent of which is to allow frequent purchases of known items for an extended period of time, at a negotiated price.

Price and quantity limits must be set at the time of issue, as well as the expiration date. Accounting will prepare a voucher form against the blanket purchase order when an invoice is received and approved by the Initiating Department. There is no need for the Initiating Department to do any further paperwork for this type of purchase requisition.



It is the Initiating Department's responsibility to initiate the renewal of a blanket P.O. upon expiration. The Accounting Department will try to help monitor the expiration dates for blanket purchase orders, but it is ultimately the responsibility of the Initiating Department.

### **VOUCHER FORM**

A voucher form is generally used by a department to pay for items such as membership dues, subscriptions, registrations, and other services or commodities supplied only by a specific vendor or covered by a blanket purchase order. Vouchers should be sent directly to the Accounting Department.

The following items need to be put on a voucher form not a requisition for purchase form: If you have any questions on the proper form to use, contact the Accounting Department

1. Advertising: Advertisements placed in newspapers for job openings, proposals, and legal notices.
2. Allocations to Outside Agencies: Payments made to intergovernmental agencies outside County Government for which an amount was determined at budget hearings (i.e. non-profit agencies, libraries, cities, etc.).
3. Coroner's Fees: Fees paid to investigators, pathologists, etc.
4. Education and Training expenses: Fees paid to organizations for training of county employees.
5. Postage: Stamps postage, pre-paid envelopes, or postcards.
6. Telephone: Regular telephone bills, telephone answering service.
7. Utility bills: Monthly charges for electrical, water, and gas.
8. Petty cash: Reimbursements to petty cash funds.
9. Dues, Meetings and Travel Expenses: Dues to organizations, registration fees for seminars, conventions, expenses incurred while attending seminars and conventions such as hotel bills, food, cab fare, parking, and etc.
10. Auto Mileage and Personal Reimbursements: Reimbursements to county employees or individuals for expenses paid out of pocket. Mileage will be reimbursed at current rate per mile for authorized travel on County business using the Morgan County employee expense report.