

Purchasing policy for Platte Canyon Water and Sanitation District

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Table of Contents

1. The objective of Purchasing policy	3
2. Role of Purchasing Department	3
3. Purchasing process, Approvals, and Documentation	4
4. Purchasing authority levels	5
5. Invoicing process and guidelines	6
6. Competitive bidding	6
7. Conflict of Interest	8
8. Colorado State Purchasing Program	8

1. The Objective of Purchasing Policy

The policy of Platte Canyon Water and Sanitation District is to establish and maintain purchasing policies to encourage efficient, competitive, economical, and timely acquisition of materials, supplies, equipment, and services as well as to provide for proper and effective regulatory control.

This purchasing policy shall establish the policies, procedures, authorities, and responsibilities needed to carry out the purchasing function. It is important that all employees involved in the procurement process understand the District's purchasing policies and procedures as outlined.

2. Role of Purchasing Department

The role of the purchasing department is to utilize a decentralized control process for purchasing supplies, materials, equipment, and services, inventory of District assets, and disposal of surplus property whereby the Assistant Manager maintains responsibility and accountability over appropriate expenditures included in the District's annual budget. The Assistant Manager is under the control and direction of the District Manager. Each employee is responsible for requesting services, completing the required documentation in accordance with policy, and obtaining appropriate approvals when required.

Compliance with the provisions of this policy is mandatory unless waived by the Board. Any provision which adversely affects the performance of services shall be immediately called to the attention of the District Manager.

It shall be deemed a violation of this manual for any employee to:

- Knowingly exaggerate requirements or deny the existence of a requirement to avoid doing business with a particular vendor, consultant, or contractor.
- Knowingly underestimate requirements or deny the existence of a requirement to avoid doing business with a particular vendor, consultant, or contractor.
- Knowingly misrepresent competitors' prices, quality, or services to obtain concessions.

3. Purchasing process, Approvals, and Documentation

The District's budget should be used as a tool for decision making as well as a means for monitoring expenditures. It should be considered prior to the commitment of District's funds. Communication with the District Manager and Board of Directors may be necessary when a budget line item is exceeded.

The policy provides that specific approvals be obtained for purchases in excess of certain thresholds. Bidding requirements and the use of credit cards, purchase orders and standard agreements for services are also detailed in the policy.

The Assistant Manager is the central authority to issue POs, Contracts and Agreements. Employees submit purchasing information including, but not limited to: 1) for materials and supplies: the quantity and quality of the required goods, packaging and shipping costs and terms, date of delivery, prices as quoted in bids, payment terms, warranty requirements and any other special conditions of the purchase, or 2) for services: the scope of work, payment terms and amounts, and completion dates to the Assistant Manager for preparation issuance of the appropriate document.

When a Blanket PO is issued, an employee is authorized to make purchases in accordance with the terms, conditions, and amount limitations of the PO without further assistance or authorization of the Assistant Manager. Documentation for each purchase made under a Blanket PO must be given to the Financial Administrator.

For the purpose of improving the efficiency and timeliness for making micro-purchases, approved employees are authorized to use District issued credit cards.

Corporate credit cards provide an efficient, simplified method for purchasing goods and services and authorizing purchases by verbal or internet order. Credit card purchases are limited to \$2,499 per single transaction unless authorized by the District Manager with an aggregate monthly limit of \$3,500. Personal use of corporate credit cards is strictly prohibited.

4. Purchasing authority levels

The following methods of source selection must be used by employees to obtain vendor, consultant, or contractor competition for all purchases of goods or services. The source selection method can be determined by referring to the Table or, alternatively, based on the special nature of the desired product or service in consultation with the District Manager.

Purchasing must not be divided to bring the purchase within a less restrictive purchase category.

DOLLAR AMOUNT	PURCHASE TYPE	REQUIRED SOURCE SELECTION METHOD	REQUIRED DOCUMENTATION	APPROVAL
Up to \$2,499	Micro-purchase	No form of competition – consider applicable vendors	Document purchase decision/details with copy of receipt. Verify purchasing details to invoice.	Assistant Manager
\$2,500-\$4,999	Small Purchases	No form of competition – consider applicable approved vendors	Document purchase decision/details with PO, Agreement, or written approval of order by District Manager. Verify purchasing details to invoice	District Manager
\$5,000-\$59,999	Significant Purchases, Services Contracted, Consulting Services	Approved Vendor/Quotes	Obtain three documented quotes (exception for purchases made repetitively from approved vendors) Refer to informal bidding requirement procedures. Agreement for Services. Document purchase decision/details with PO or Agreement	Assistant Manager District Manager
Over \$60,000	Consulting Services	RFP	Refer to formal bidding requirement procedures. Agreement for Services, Construction Contract.	Assistant Manager District Manager Board of Directors

			Document purchase decision/details with PO or Agreement.	
FOR CONSTRUCTION/CAPITAL PROJECTS				
\$5,000- \$120,000	Remedial/ Construction/ Capital	Approved Vendor/Quotes	Obtain three documented quotes (exception for purchases made repetitively from approved vendors) Refer to informal bidding requirement procedures. Agreement for Services. Document purchase decision/details with PO or Agreement	Assistant Manager District Manager
Over \$120,000	Construction/ Capital	RFP	Refer to formal bidding requirement procedures. Contract Bonding requirements Document purchase decision/details on PO or Agreement.	Assistant Manager District Manager Board of Directors

5. Invoicing process and guidelines

Invoices will be routed to appropriate employees to review. Employees will review the invoice for accuracy and completeness, initial the invoice and return it to the Financial Administrator to process payment. Routine invoices for utilities or monthly reoccurring invoices do not need initials.

6. Competitive bidding

INFORMAL BIDS

Expenditures for procurement of supplies, materials, equipment, and services having an estimated value of more than \$2,499 but less than \$10,000 may be made on the open market by the Assistant Manager without newspaper advertising, and without observing the procedure described in the formal bid section of this manual.

All open market purchases shall, whenever possible, be based on three or more quotations and shall be awarded to the lowest qualified bidder.

- Telephone bids and written proposals should be properly documented and provided to the Assistant Manager for preparation of a PO or Agreement.
- All informal bid prices shall remain confidential until an award is made. After the award is made all information regarding the bid shall be open for public inspection.
- Recent competitive bid prices (within the past 90 days) may be used to avoid duplication of effort.
- "Sole Source" items are permissible if emergency conditions exist or if the item is obtainable from only one source in Colorado, or the product is clearly superior to perform a function or patents limit the sources available.

Formal bid procedures may be used for purchases under \$10,000 when in the best interest of the District or when the purchase of like items, each costing under \$10,000, are grouped and the aggregate purchase exceeds \$10,000.

FORMAL BIDS

All purchases for products or services estimated to be more than \$10,000 or more will require sealed bids. Invitations to submit sealed bids will be emailed to vendors and will be advertised in accordance with the requirements listed below. All new and known sources of supply will be considered and an effort will be made to solicit as many proposals as possible and encourage competition. For bidding process, please see Exhibit A.

The District Manager shall have authority to waive formal bid requirements for design engineering agreements and water and sewer infrastructure construction, repair and rehabilitation projects that are not expected to exceed \$120,000. Projects for which formal bid requirements are waived shall be bid in accordance with the informal bid requirements specified in this section.

7. Conflict of Interest

Participation in Purchasing Transactions

District employees having official responsibility for purchasing transactions shall not participate in the transaction when:

- The employee has an ownership or financial interest with a bidder, vendor, consultant, or contractor.
- The employee or any member of the employee's immediate family (spouse, children, parents, brothers, or sisters) or any other person living in the same household of the employee holds a position with a bidder, vendor, consultant, or contractor such as an officer, director, trustee, partner, or the like, or is employed or involved in a capacity involving personal and substantial participation in the purchase transaction.
- The employee or any member of the employee's immediate family has a financial interest arising from the purchase transaction.
- The employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment with a bidder, vendor, consultant, or contractor.

Solicitation or Acceptance of Gifts

District employees having official responsibility for purchasing transactions shall not solicit, demand, accept, or agree to accept from a bidder, vendor, consultant, contractor, or subcontractor any payment, loan subscription, advance, deposit of money, services, or anything of more than nominal or minimal value, present or promised.

8. Colorado State Purchasing Program

The District qualifies to make purchases under the Colorado State Purchasing Price Agreements program. The Assistant Manager at his/her discretion can use this program if it provides an efficient, competitive, economical, and timely acquisition of materials, supplies, equipment, and services. Any purchases made under this program will constitute meeting the bidding requirements.

EXHIBIT A

ADVERTISING AND BID OPENING REQUIREMENTS

Advertisement shall mean at least one public advertisement in the legal section of a newspaper in general circulation within the District boundaries.

The advertisement shall include, but not necessarily be limited to the following:

- General description and quantity of commodity or service.
- Location where bid documents may be obtained.
- Cost of bid documents (if any).
- Amount of bid bond (if required).
- Location of pre-bid conference (if any)
- Date, time, and place of bid opening.
- Reserve right to reject any or all bids, and waive formalities or informalities.
- Reserve right to accept proposal deemed to be most advantageous to the best interests of the District.

The District manager shall be authorized to waive advertisement requirements for expenditures estimated to be less than \$90,000.

Sealed bid invitations shall include, but not be limited to the following:

- Invitational cover letter stating the need; location to obtain bid documents; cost of bid documents (if any); amount of bid bond (if required); location of pre-bid conference (if any); and date, time, and place of bid opening (if required).
- Reserve the right to:
- Waive formalities or informalities
- Reject any and all bids
- Accept the proposal deemed to be in the best interest of the District.
- General conditions
- Minimum specifications
- Proposal form
- Evaluation criteria (if applicable)

Specifications shall be written to encourage competition. However, closed specifications and “sole source” purchases will be allowed with a product or usage dictates such procedure.

At the time bids are received by the Assistant Manager they shall be stamped with the date and filed unopened until the scheduled time of bid opening.

All formal bids shall be submitted sealed and properly identified and shall be publicly opened at the time and place identified in the invitation to bid. Bidders are invited, but not required to attend the bid opening. The following procedure will be observed at public bid openings.

- The opening will be at the time and place designated in the invitation to bid.
- The names of all bidders and their representatives will be noted.
- A final opportunity to submit bids before the bid opening and prior to expiration of the scheduled opening time will be offered.
- The names of those who bid will be announced, and inquiry made as to whether any submitted bids have been omitted.
- As the bids are opened, details will be read and copied on an abstract form.

In case of an obvious unintentional error, the bidder may be given an opportunity to explain the error and may request that the bid be withdrawn. Such bids may, with the approval of the Assistant Manager, be rejected. Bids requiring a bid bond will not be rejected.

The Assistant Manager may recommend to the District Manager and/or the Board of Directors the rejection of any or all bids when the District's best interest will be served.

Information concerning bidders, amounts of bids, and the basis for awards is a matter of open records and will be available to interested parties upon request.

Tabulation of bid results will be mailed to all bidders who submitted a bid.

BID PROTEST PROCEDURE

Any potential, or actual, bidder objecting to the award of an agreement may file a protest of the award, or any other matter relating to the process of soliciting the proposals. Such a protest must comply with the following guidelines:

1. A protest may be filed by a prospective or actual bidder objecting to the award of an agreement. The protest shall be in writing and shall contain the following information:

- a. The Organization, address, e-mail address, and telephone number of the protester;
 - b. The Organization and number of the bid or proposal being protested;
 - c. A detailed statement of the legal and factual grounds for the protest, including copies of any relevant documents;
 - d. A statement as to the form of relief requested; and
 - e. Any other information the protestor believes to be essential to the determination of the factual and legal questions at issue in the written protest.
2. A timely protest shall be considered if it is received by the District within the following periods:
- a. A protest based on alleged improprieties in the issuance of the solicitation or any other event preceding the closing date for receipt of proposals which are apparent or should be apparent prior to the closing date for receipt of proposals.
 - b. If the protest relates to the announced intent to award the contract, the protest shall be filed no later than #:00 p.m. of the seventh (7th) calendar day after the issuance of the formal letters sent to all responding bidders regarding the intent to make the award. The date on these letters to responding bidders is the date used to determine if a protest regarding the intent to award is submitted by the end of the protest period.
3. An untimely protest may be considered if it is determined that the protest raises issues significant to the organizations purchasing system. An untimely protest is one received by the District after the time periods set forth in Numbers 1 and 2 of this section.
4. All protests must be filed at the following location:

Platte Canyon Water and Sanitation District
8739 W. Coal Mine Avenue
Littleton, Colorado 80123

5. When a timely protest is filed, award of an agreement shall not proceed until a decision on the protest is issued or the matter is otherwise resolved, unless the District Manager determines that a delay will severely disadvantage the District. The bidder who would have been awarded the agreement shall be notified of the receipt of the protest. The District shall issue written decisions

on all timely protests and shall notify any bidder who filed an untimely protest as to whether the protest will be considered.