



Town of Paonia
214 Grand Avenue
Tuesday, September 16, 2025 5:30 PM
Tree Board Agenda
<https://us02web.zoom.us/j/81069409894>
Meeting ID: 810 6940 9894

- A) Roll Call
- B) Approval of Agenda

Minutes - August 19, 2025 Meeting Minutes

- D) Actions & Presentations

Public comments must be related to the agenda item, 3-minute time limit.

Item #1: Stefen's Memorandum Discussion Parts 1, 2 and 3

Item #2: Relationship with Public Works

Item #3: Our Role.

1. How does the town administration, Mayor, and Trustees value our public trees/urban forest?
2. What are the expectations for maintaining the Paonia urban forest?
3. Understanding we are advisory in nature (as outlined in the memorandum) what specifically does the Mayor and Trustees want from us?

Item #4: Discussion of creating a written overview, for the record: Future of Paonia Trees

Item #5: Discussion About a Training Video for Public & Staff

Item #6: Discussion about the 10-15 year planting and removing plan.

Upcoming Meeting: Tuesday Oct 21, 2025 - Town Hall Board Room @ 5:30 PM

- F) Adjournment

As Adopted By:
Town of Paonia, Colorado
Resolution No. 2017-10 – Amended May 22, 2018

I. Rules of Procedure

Section 1. Schedule of Meetings. Regular Board of Trustees meetings shall be held on the second and fourth Tuesdays of each month, except on legal holidays, or as re-scheduled or amended and posted on the agenda prior to the scheduled meeting.

Section 2. Officiating Officer. The meetings of the Board of Trustees shall be conducted by the Mayor or, in the Mayor's absence, the Mayor Pro-Tem. The Town Clerk or a designee of the Board shall record the minutes of the meetings.

Section 3. Time of Meetings. Regular meetings of the Board of Trustees shall begin at 6:30 p.m. or as scheduled and posted on the agenda. Board Members shall be called to order by the Mayor. The meetings shall open with the presiding officer leading the Board in the Pledge of Allegiance. The Town Clerk shall then proceed to call the roll, note the absences and announce whether a quorum is present. Regular Meetings are scheduled for three hours, and shall be adjourned at 9:30 p.m., unless a majority of the Board votes in the affirmative to extend the meeting, by a specific amount of time.

Section 4. Schedule of Business. If a quorum is present, the Board of Trustees shall proceed with the business before it, which shall be conducted in the following manner. Note that all provided times are estimated:

- (a) Roll Call - (5 minutes)
- (b) Approval of Agenda - (5 minutes)
- (c) Announcements (5 minutes)
- (d) Recognition of Visitors and Guests (10 minutes)
- (e) Consent Agenda including Approval of Prior Meeting Minutes (10 minutes)
- (f) Mayor's Report (10 minutes)
- (g) Staff Reports: (15 minutes)
 - (1) Town Administrator's Report
 - (2) Public Works Reports
 - (3) Police Report
 - (4) Treasurer Report
- (h) Unfinished Business (45 minutes)
- (i) New Business (45 minutes)
- (j) Disbursements (15 minutes)
- (k) Committee Reports (15 minutes)
- (l) Adjournment

* This schedule of business is subject to change and amendment.

Section 5. Priority and Order of Business. Questions relative to the priority of business and order shall be decided by the Mayor without debate, subject in all cases to an appeal to the Board of Trustees.

Section 6. Conduct of Board Members. Town Board Members shall treat other Board Members and the public in a civil and polite manner and shall comply with the Standards of Conduct for Elected Officials of the Town. Board Members shall address Town Staff and the Mayor by his/her title, other Board Members by the title of Trustee or the appropriate honorific (i.e.: Mr., Mrs. or Ms.), and members of the public by the

appropriate honorific. Subject to the Mayor's discretion, Board Members shall be limited to speaking two times when debating an item on the agenda. Making a motion, asking a question or making a suggestion are not counted as speaking in a debate.

Section 7. Presentations to the Board. Items on the agenda presented by individuals, businesses or other organizations shall be given up to 5 minutes to make a presentation. On certain issues, presenters may be given more time, as determined by the Mayor and Town Staff. After the presentation, Trustees shall be given the opportunity to ask questions.

Section 8. Public Comment. After discussion of an agenda item by the Board of Trustees has concluded, the Mayor shall open the floor for comment from members of the public, who shall be allowed the opportunity to comment or ask questions on the agenda item. Each member of the public wishing to address the Town Board shall be recognized by the presiding officer before speaking. Members of the public shall speak from the podium, stating their name, the address of their residence and any group they are representing prior to making comment or asking a question. Comments shall be directed to the Mayor or presiding officer, not to an individual Trustee or Town employee. Comments or questions should be confined to the agenda item or issue(s) under discussion. The speaker should offer factual information and refrain from obscene language and personal attacks.

Section 9. Unacceptable Behavior. Disruptive behavior shall result in expulsion from the meeting.

Section 10. Posting of Rules of Procedure for Paonia Board of Trustees Meetings. These rules of procedure shall be provided in the Town Hall meeting room for each Board of Trustees meeting so that all attendees know how the meeting will be conducted.

II. Consent Agenda

Section 1. Use of Consent Agenda. The Mayor, working with Town Staff, shall place items on the Consent Agenda. By using a Consent Agenda, the Board has consented to the consideration of certain items as a group under one motion. Should a Consent Agenda be used at a meeting, an appropriate amount of discussion time will be allowed to review any item upon request.

Section 2. General Guidelines. Items for consent are those which usually do not require discussion or explanation prior to action by the Board, are non-controversial and/or similar in content, or are those items which have already been discussed or explained and do not require further discussion or explanation. Such agenda items may include ministerial tasks such as, but not limited to, approval of previous meeting minutes, approval of staff reports, addressing routine correspondence, approval of liquor licenses renewals and approval or extension of other Town licenses. Minor changes in the minutes such as non-material Scribner errors may be made without removing the minutes from the Consent Agenda. Should any Trustee feel there is a material error in the minutes, they should request the minutes be removed from the Consent Agenda for Board discussion.

Section 3. Removal of Item from Consent Agenda. One or more items may be removed from the Consent Agenda by a timely request of any Trustee. A request is timely if made prior to the vote on the Consent Agenda. The request does not require a second

or a vote by the Board. An item removed from the Consent Agenda will then be discussed and acted on separately either immediately following the consideration of the Consent Agenda or placed later on the agenda, at the discretion of the Board.

III. Executive Session

Section 1. An executive session may only be called at a regular or special Board meeting where official action may be taken by the Board, not at a work session of the Board. To convene an executive session, the Board shall announce to the public in the open meeting the topic to be discussed in the executive session, including specific citation to the statute authorizing the Board to meet in an executive session and identifying the particular matter to be discussed "in as much detail as possible without compromising the purpose for which the executive session is authorized." In the event the Board plans to discuss more than one of the authorized topics in the executive session, each should be announced, cited and described. Following the announcement of the intent to convene an executive session, a motion must then be made and seconded. In order to go into executive session, there must be the affirmative vote of two thirds (2/3) of Members of the Board.

Section 2. During executive session, minutes or notes of the deliberations should not be taken. Since meeting minutes are subject to inspection under the Colorado Open Records Act, the keeping of minutes would defeat the private nature of executive session. In addition, the deliberations carried out during executive session should not be discussed outside of that session or with individuals not participating in the session. The contents of an executive session are to remain confidential unless a majority of the Trustees vote to disclose the contents of the executive session.

Section 3. Once the deliberations have taken place in executive session, the Board should reconvene in regular session to take any formal action decided upon during the executive session. If you have questions regarding the wording of the motion or whether any other information should be disclosed on the record, it is essential for you to consult with the Town Attorney on these matters.

IV. Subject to Amendment

Section 1. Deviations. The Board may deviate from the procedures set forth in this Resolution, if, in its sole discretion, such deviation is necessary under the circumstances.

Section 2. Amendment. The Board may amend these Rules of Procedures Policy from time to time.

Town of Paonia
214 Grand Avenue
Tuesday, August 19, 2025 5:30 PM
Tree Board Minutes

Record of Proceedings

Chair Hottinger calls the meeting to order at 5:30 PM.

Roll Call

Present:

Chair Hottinger

Vice Chair Newland

Secretary Patterson

Board Representative Heck

Board Member Haynie

Board Member Short

Board Member Wells

Approval of Agenda

Vice Chair Newland stated he'd like to amend the agenda by adding the topic of the formation of a subcommittee to prepare a presentation for a study session with the Board of Trustees, agreement received by Chair Hottinger.

Vice Chair Newland makes a motion to approve the agenda with the amendment, seconded by Board Member Haynie.

The motion carries unanimously.

Approval of Minutes

- Minutes - July 15, 2025, Meeting Minutes

Vice Chair Newland makes a motion to approve July 15th minutes, seconded by Board Member Wells.

The motion carries unanimously.

Secretary Patterson arrives at 5:35 PM

Actions & Presentations

Public Comment:

Kathy Swartz thanked the Board for advice Sick Tree Day.

The Board discussed the role of DMEA in pruning and removal for safety and fire mitigation, and the importance of homeowner communication and preparedness.

Item #1 - Town Park Trees - Finalize plan to replace 4 trees (2 behind stage, 2 play area)

The Board reviewed plans to plant five replacement trees in Town Park, agreeing that planting should wait until after installation of a new irrigation system to avoid conflicts. Members emphasized the need to review the irrigation layout to protect tree roots, select species from the approved list based on nursery availability, and provide supplemental deep watering for two to three years. The Board also discussed forming a volunteer watering group and will coordinate with Public Works Director Nicki Poulos on the irrigation project and tree plan revisions.

Item #2 - Discuss Town Administrator's request "...have a comprehensive training session for staff on proper tree trimming practices, particularly along rights of way."

The Board considered Town Administrator Wynn's request to provide comprehensive training for public works staff on proper tree trimming practices, with emphasis on right-of-way trees.

The Board noted that training should include both technical pruning techniques and procedural protocols, such as securing homeowner permission before entering private property. Although a

training session was previously held, staff turnover has created the need for recurring sessions. The Board agreed that the optimal time for hands-on training is late winter to early spring (February–March 2026), when tree structure is most visible.

Action steps include distributing instructional pruning videos to public works staff for interim reference and scheduling a formal training session with Tom Tyson in late winter 2026.

Board Member Short arrives in-person at 5:48PM.

Item #3 - Share observations from Sick Tree Day

Board members reported that the recent Sick Tree Day event was successful, with 11 attendees. The primary issues observed were related to drought stress and a need for pruning knowledge. The possibility of offering future public pruning classes for small trees was discussed.

Item #4 - Discuss regular meetings with Public Works Director Poulos

The Board stressed the need for consistent communication with Public Works Director Nikki Poulos on projects impacting trees and agreed to meet with her to review irrigation, watering, pruning resources, and communication protocols. They also plan to coordinate with DMEA's vegetation manager to improve public notification of trimming schedules.

#5 Creation of Subcommittee for BoT. subcommittee for bot to discuss prepare presentation for study session for board.

The Board discussed forming a subcommittee to prepare a formal 10 - 15-minute presentation to the Town Trustees on Paonia's urban forest, highlighting its value, current challenges, Board goals, and specific support requests. Vice Chair Newland will share past examples and an outline, and a subcommittee, including Board Members Short & Haynie, will draft the presentation with clear visuals and actionable "asks."

Adjournment

Chair Hottinger adjourns the meeting at 6:30 PM.

Ruben Santiago, Deputy Town Clerk

Greg Hottinger, Chair



MEMORANDUM

To: Paonia Tree Board

From: Town Administrator & Treasurer

Date: August 20, 2025

Subject: Re-stated Procedures for Budget Requests and Use of Budgeted Funds

This memorandum is intended to clarify the procedures that the Tree Board must follow regarding budget participation and the use of budgeted funds. We have already met twice this year to review this process, first on March 12th and again on May 8th. In addition, I met with members of the Tree Board during an impromptu site visit in July after the Board visited a resident's property to examine work performed on a tree by Public Works. When I approached during that visit, I was disappointed to observe that the discussion appeared to disparage and critique the Town rather than address proper practices for tree maintenance and care in the public rights-of-way.

It is important to emphasize that the Tree Board is advisory in nature, and it serves at the pleasure of the Mayor and Board of Trustees. Members are not required to reside within Town limits, and accordingly, the Tree Board does not exercise independent authority over Town operations, finances, or policy implementation. Following the July incident with tree trimming, I also requested that the Tree Board hold a second, more intensive training session with the Public Works Department on proper tree trimming and care for rights-of-way. That training has not yet occurred, and it remains a necessary step to ensure consistent standards are followed.

The intent of this memorandum is to restate proper procedures so that the Tree Board can fulfill its advisory role effectively and in compliance with the Town's adopted code and procurement policies.

AUTHORITY AND ROLE OF THE TREE BOARD

Pursuant to **Chapter 2, Article 7 of the Paonia Municipal Code**, the Tree Board serves as an advisory body. Its duties include making recommendations to the Town Administrator and Board of Trustees on the planting, maintenance, and care of trees, promoting healthy horticultural practices through education and community events, and preparing the annual Tree City USA application.

The Tree Board does not have independent spending or procurement authority.

PARTICIPATION IN THE BUDGET PROCESS

1. During the Town's annual budget cycle, the Tree Board may submit requests for funding through the **Public Works Director**.
2. Each request must be made in writing and include:
 - a. A description of the proposed project or item,
 - b. An estimated cost, and

- c. An explanation of how the request aligns with the Tree Board’s statutory duties and Town objectives.
3. Requests are reviewed by the **Town Administrator and Finance Department** and considered by the **Board of Trustees** during budget adoption.

ACTIVATING BUDGETED FUNDS

Even when funds are approved in the annual budget, all expenditures must comply with the **Town’s Purchasing Policy Manual and Ordinance 2024-03 (Procurement Policy)**.

- All purchases are subject to availability of funds.
- The Public Works Director must initiate all requisitions and purchase orders on behalf of the Tree Board.
- Expenditures must follow procurement thresholds:
 - Up to \$1,000: no formal competition required.
 - \$1,001 – \$5,000: at least three documented quotes required.
 - \$5,001 – \$10,000: three written quotations and Town Administrator approval required.
 - \$10,001 or greater: formal competitive bid and approval by the Board of Trustees.
- Purchases outside this process are void and unenforceable under the Town Code

COMPLIANCE AND POINT OF CONTACT

To ensure compliance with Town policy, the Public Works Director, Nicki Poulos, or her designee, is the point of contact for all Tree Board-related procurement requests. She will coordinate with Finance and myself to confirm funding availability and ensure that all requests follow the proper procurement pathway.

The Town appreciates the Tree Board’s commitment to improving Paonia’s tree canopy and maintaining our standing as a Tree City USA community. By adhering to these established procedures, the Tree Board can focus on its advisory role, strengthen collaboration with Public Works, and ensure that its work remains both effective and compliant with Town policy.

Please prioritize scheduling the requested training session with Public Works so that all members are properly aligned on standards for tree trimming and maintenance in public rights-of-way.

In Public Service,



Stafen A.B. Wynn, M.P.A. ICMA-CM
Paonia Town Administrator



Town of Paonia

Purchasing Policy Manual

v.9.10.2024

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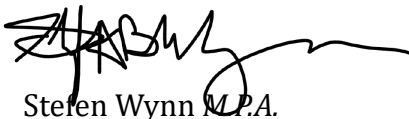
INTRODUCTION

The purpose of this Purchasing Policy Manual (Manual), approved by the Town Administrator and the Board of Trustees, is to describe the acceptable conduct of purchasing activity for the Town of Paonia, Colorado following the guidelines outlined in the Colorado Revised Statutes (CRS). If there is a conflict with this Manual, the CRS are the superseding rules. The failure of a Town employee to comply with this Manual may result in disciplinary action, and may lead to a criminal investigation.

The Administration Department, which includes Finance and the Town Administrator's Office, is generally responsible for providing direction and guidance in all phases of material utilization, e.g. acquisition, storage, distribution, re-utilization, and disposal. Administration, with the assistance of individual Department Heads, also provides direction and guidance to departments on all matters relating to pre-requisition investigation of possible supply sources and alternative product examinations. The Manual instructs the Town of Paonia with how Administration, with the assistance of individual Department Heads, facilitates specification preparation, inspection and receiving practices, quality control, order follow-up, materials expediting, and the enforcement of the terms and conditions of purchase orders issued by the Town.

Further, this Manual is meant to ensure that a standard of integrity is met when purchasing goods and services on behalf of the Town. The Manual also provides for fair and equitable treatment by the Town of all persons involved in public procurement and maximizes the purchasing value of public funds. Finally, this Manual is meant to provide safeguards for maintaining a procurement system of quality and integrity, and foster effective, broad-based competition within the free enterprise system.

In Public Service,



Stefan Wynn M.P.A.

ICMA-CM

Paonia Town Administrator/Treasurer

1.0 ETHICAL STANDARDS FOR PURCHASING ACTIVITIES

1.1 Policy Statement

It is the policy of the Town of Paonia to promote government integrity and guard against the appearance of impropriety by prescribing the following essential standards of ethical conduct.

- (a) Town Employees shall discharge their duties impartially to assure fair, competitive access to governmental procurement by responsible contractors and to foster public confidence in the integrity of the Town's procurement system and processes.
- (b) Town Employees shall not solicit, demand, accept, or agree to accept a gratuity, an offer of employment, or any other benefit in connection with any decision, approval, disapproval, recommendation, or preparation of any part of a program requirement, specification, standard, solicitation, or contract.
- (c) Town Employees shall not participate directly or indirectly in procurement when an employee knows that:
 - (1) The Employee or any member of the employee's immediate family has a personal financial interest pertaining to the procurement.
 - (2) A business or organization in which the employee, or any member of the employee's immediate family has a personal financial interest pertaining to the procurement.
 - (3) Any other person, business, or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning employment is involved in procurement.
- (d) Town employees who fail to comply with this policy may be subject to disciplinary action and criminal prosecution.

1.2 Discovery of an Actual or Potential Conflict of Interest

Upon discovery of an actual or potential conflict of interest, an employee shall promptly withdraw from further participation in the transaction involved and notify their Department Head, and/or Town Administrator. The Town Administrator will consult with the Town Attorney for an opinion whenever there is a question of an appearance of conflict.

1.3 Supplier Ethics

- (a) It shall be a breach of ethical standards for any person to offer, give, or agree to give any Town employee a gratuity, an offer of employment, or any other benefit in connection with any decision, approval, disapproval, recommendation, specification, standard, solicitation, or contract.

- (b) It shall be a breach of ethical standards for any person, or firm to present false documents, or falsely represent its firm.
- (c) Suppliers shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the Town's best interests. This obligation shall apply to suppliers' employees, agents, subcontractors, and third parties associated with accomplishing the work for the Town.
- (d) A breach of Manual Section 1.3 (a) or (b) may result in debarment for consideration of awards.
- (e) Personal purchases shall not be made by or for Town employees through the Town's procurement system or Purchasing Card program unless such purchases have been authorized as a special program available to all Town employees, or programs such as a duty firearm buy-back program, specifically for the employees of the Police Department.

1.4 Unlawful Purchases

If any office, department, or employee, other than employees specifically authorized to make purchases for their Department, contracts for any supplies, materials, equipment, or contractual services contrary to the purchasing policies as described in this Manual and provided in CRS, such purchase or contract shall be void and of no effect, and the cost shall not constitute a legal charge against the Town.

2.0 PURCHASING AUTHORITY

It is the Town's intent to reduce the total costs associated with the acquisition and management of commodities and services by purchasing competitively and wisely.

The Town Administrator/Treasurer and each Department Head are designated as the Town's Purchasing Agents (collectively known as Town Management), with respect to the limits and thresholds as may be established, set, and modified by the Board of Trustees.

2.1 Scope

Administration, the Town Clerk, and Department Heads shall:

- (a) Review all purchasing activity for compliance with the Purchasing Manual and associated Purchasing Policies.
- (b) Assist departments in the development of solicitation documents, manage the formal, public solicitation process, receive, and distribute responses to solicitation received to appropriate Department Heads.
- (c) Assist departments with external requests for information in accordance with the Colorado Open Records Act (CORA).
- (d) With the Town Attorney's office, manage contract development, negotiations, execution, approval, and archive processes as assigned.

- (e) Assist with the sale, auction, or disposal of all property determined to be surplus to the Town's needs in accordance with CRS.
- (f) Review and approve Sole Source Justification (SSJ) and Request to Proceed (RTP) requests within parameters of assigned authority.
- (g) Initiate and manage centralized procurement activity for goods and services consistent with the strategic procurement goals of the Town.

2.2 Objectives

- (a) To provide increased economy in the Town's procurement activities and to maximize, to the fullest extent practicable, the value of public funds expended for purchased materials, or services.
- (b) To provide safeguards that ensure the maintenance of a procurement system of high quality and integrity.
- (c) To ensure the fair and equitable treatment of all persons and businesses that deal with the Town for purchasing, or procurement.
- (d) To buy the right material of an appropriate quality and in the correct quantity at the right time from the proper source.
- (e) To reduce the overhead cost of purchasing by using an efficient workflow that reduces the volume of individual orders and minimizes paperwork.
- (f) To seek values that provide the best combination of price, quality, and service.
- (g) To reduce costs by consolidating departmental requests and making volume purchases.
- (h) To promote a system of procurement standardization throughout the Town whenever appropriate and practical.

2.3 Competitive Purchasing – Generally

- (a) The Town is committed to a program of purchasing competitively and wisely. Departments are forbidden to artificially divide purchase requisitions to circumvent any competitive bidding requirement. In addition, no department or employee shall draft or cause to be drafted any specifications in such a manner as to limit the bidding directly or indirectly to any one specific concern, or any specific brand, product, thing, or service. Certain items are approved as exempt from competitive bidding requirements or are approved as sole source purchases as provided for under Manual Section 2.4 – Exceptions, and Section 3.5 – Sole Source Requests. Administration's objective is to obtain competition from responsible

suppliers, and to ensure that the materials purchased through competition are properly suited to the job that they are intended, both as to price and quality.

- (b) Administration is authorized to make purchases from other public agencies without seeking competitive bids and may use Cooperative Purchasing Programs and other recognized types of agreements used by governments to combine agency requirements for purchases. However, the prices paid must be competitive with comparable products offered in the marketplace.
- (c) Except as otherwise provided by law, the Town may reject all bids received during a response to a solicitation if it is determined that the price, terms, or surrounding circumstances of the bids received are such that award of a contract based on that solicitation would not be in the Town's best interests.

2.4 Exceptions to the Competitive Process

The Administration Department maintains a list of goods and services where competitive bids are not required, and issuance of a purchase order is not mandated.

Except as otherwise directed by law, or by the Board of Trustees, competitive bidding is not required for the following purchases:

- Any good/service or combination of goods and services under \$1,000.
- Any good/service purchased with a Purchase Card under \$1,500.
- Any good/service made during the normal course of a contract or agreement that has already been through a competitive bidding process (Cooperative Purchasing, State Bid, etc.).
- Advertising (employment, bid advertisements, public notices, etc.)
- Benefit Payments – Human resources (medical/dental/life/LTD Insurance, etc.)
- Books, periodicals, and similar items.
- Town & County shared services (operating expenses only)
- Classes, Training, and Similar events.
- Conference/Seminar Registration Fees.
- Copying/Duplication Services.
- Debt Payments.
- Emergency Purchases.
- Emergency Medical Expenses.
- Employee Reimbursements.
- Fees – Bank, Filing, Tax, Title, License, Vehicle Registrations, etc.
- Grant pass-through payments (one-time only and contract not required).
- Insurance Premium Payments.
- Intra-agency payments.
- Lodging.
- Meals and Refreshments.
- Membership Dues/Fees.
- Postage.

- Rebates/Refunds.
- Shipping.
- Sponsorships (approved as part of the fiscal budgeting process).
- Subscriptions (newspaper, magazine, electronic, online).
- Temporary Agency Services and Contracted Employees.
- Travel (airfare, train tickets, rideshare, etc.).
- Utility Payments (telephone, internet, gas, water, electric).

2.5 Procurement Thresholds

Supplier selection shall be based on a competitive process whenever feasible and when in the Town's best interests.

A verbal or written solicitation shall be made as follows:

(1) Commodity Purchases/Contracts to \$1,000

Departments are authorized to make purchases up to \$1,000 without a requirement for a purchase requisition or purchase order. Use of a Purchasing Card or Credit Card is encouraged for purchases at this level. Departments are encouraged to obtain competitive pricing and "shop around", but competitive bidding is not required.

Issuance of a purchase order for purchases \$1,000 and below is not mandatory. Payment via a Purchasing Card or Credit Card, or direct invoice entry is acceptable.

(2) Commodity Purchases/Contracts \$1,001 to \$5,000

Departments are authorized to solicit suppliers at this level. Comparison shopping is strongly encouraged. Formal purchase orders must be issued for purchases of goods and services between \$1,001 and \$5,000. Departments must attach to the electronic requisition at least three (3) documented quotes attached to the requisition that contains the scope of work or item(s) to be purchased. One (1) "no bid" from a qualified vendor can be used to satisfy (1) of the three (3) required bids. Documentation of quotes must be attached to the electronic requisition to verify compliance.

(3) Commodity Purchases/Contracts \$5,001 to \$10,000

(a) Departments are authorized to solicit suppliers at this level with prior approval from the Town Administrator/Treasurer. A minimum of three (3) written quotations are required for the commodity or service. One (1) "no bid" from a qualified vendor can be used to satisfy (1) of the three (3) required bids. Documentation of quotes must be attached to the electronic requisition to verify compliance.

(b) Informal Bidding Process Required.

a. Written quotes are required as referenced above.

b. The Town Administrator/Treasurer may waive written quotation requirements if it is determined that it is not practical or advantageous to the interest of the Town. Such a determination shall be made in writing with justification from the Town Administrator/Treasurer. Proposals in this range

must be submitted to the Town Board for approval before the purchase can be made.

c. Steps to Complete an Informal Bid:

- i. Develop Specifications. Upon finalization of the specifications, prepare any documents required by the informal bid.
- ii. Disseminate specifications to relevant vendors, including dissemination by email, mail or other method as appropriate.
- iii. Evaluate the bid results and determine which bid serves the Town's best interests.
- iv. Prepare a Purchase Order and obtain required approval for the level of purchasing.

(4) Commodity, Service, & Construction Purchases/Contracts \$10,001 and Greater

Purchases of goods and services \$10,001 and greater require a formal, public bid process. The project manager or designated staff member must work with the Finance Department to develop the appropriate formal solicitation document. Once the solicitation document is finalized, the solicitation will be posted on a website used by the Town for procurement purposes for an agreed upon timeframe, which is typically no less than thirty (30) days. The use of electronic vendor submissions is strongly encouraged.

(5) Consulting Services

Any purchase of consulting services may require a formal contract to be completed and signed by the Mayor, the Town Administrator, the Town Attorney, and the Town Clerk.

2.6 Emergency Purchasing

Emergency purchase orders may be issued when unforeseen circumstances require an immediate purchase to avoid a substantial hazard to life, health, and welfare of the Residents of Paonia; or there is an imminent threat to property or threat of serious interruption to the operation of a Town Department, or the necessary repair of Town equipment or heavy equipment required for the operation of a Town Department.

If an emergency arises, departments must work directly with the Town Administrator/Treasurer to obtain purchase authorizations through as normal purchasing processes as possible. If an emergency situation arises after normal Town business hours, a Department Head, or their designee, may authorize an immediate purchase of commodities or services, if necessary, after notifying the Town Administrator/Treasurer.

Authorization for emergency purchases shall be documented and properly included in the purchasing record as required. The department shall advise the Town Administrator/Treasurer of any emergency purchases as soon as reasonable after the commitment is made. An immediate report shall be made to the Board of Trustees by the Town Administrator/Treasurer detailing the purchase and the cause of the emergency.

2.7 Change Order Management

Change orders to projects that have previously been approved is commonplace. If a change order results in a total project value surpassing the formal bid threshold, Town management approval must be secured. In addition, a project previously issued with a value of \$50,000 or greater, that has a change order value increase of 10% or greater, also requires approval of the Town Administrator/Treasurer.

The Town Administrator/Treasurer and the Department Head shall work with the Town Attorney's Office to update, as appropriate, any accompanying contract changes resulting from the change order for the project.

2.8 Standards

The Finance Department is primarily responsible for standardization. Standardization is the organized process of obtaining solutions to common problems by establishing agreement on specific quality, design, size, color, etc. and the established agreement as a standard.

The Town purchases many products that are standardized (carpet, furniture, copy paper, office supplies, etc.). When standards are adopted, only items meeting those standards may be purchased. However, no standard is meant to be unchangeable, and each standard is subject to review on a case-by-case basis and referred to the department with related expertise. The Finance Department shall be the chair of any such committees, which may include department heads or their representatives, and/or other staff.

2.9 Local Preference – Purchases of Goods and Services

It is the Town's goal to promote the purchase of services and goods provided by United States companies and employees, with a strong preference for local vendors. Off-shore services are defined as services provided from an off-shore location (foreign country). Examples of such services may include, but are not limited to, customer support services, telemarketing services, and financial auditing services.

Preferential considerations for local vendors or contractors will be given for non-capital purchases in the event that solicited bids from local vendors are within 10% of non-local vendor bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or Finance Department to be equal to non-local vendors.

For the purposes of this policy, a vendor is considered local if it has maintained a place of business in Delta County, Colorado, for at least twelve (12) months prior to date of bid solicitation, at least 50% of the employees are Delta County, Colorado residents, and at least 50% of the fleet used for the project are registered within Delta County, Colorado.

Preferential consideration for local vendors or contractors will be given for Capital purchases in the event that solicited bids from local vendors are within 2% of non-local vendors' bids and all factors, including quality, terms, and delivery are determined by the soliciting employee or the Finance Department to be equal to non-local vendors.

For the purposes of this part of the policy as it applies to Capital purchases, the following terms are applicable:

- The vendor has maintained a place of business in Delta County for at least twelve (12) months prior to the date of the bid solicitation.
- Fifty-one percent (51%) of the work is self-performed (49% or less is performed by a subcontractor).
- Whether or not this policy will apply will be determined on a case-by-case basis at the discretion of the Board of Trustees at the time the project is authorized for bid. Local preference will be stated in each and all bid documents.
- If a vendor has received a 2% credit in the preceding year and the contract is still in place at the time the bid is solicited, the vendor does not qualify for the 2% local preference.

2.10 Environmental Purchasing

The Town's goal is to reduce the effects of climate change generated by government operations. Purchasing activity is encouraged to use and buy recycled and environmentally preferable products. The purchasing of products that are recycled or environmentally preferable strengthens the markets for such products, diverts more materials from the solid waste stream, and promotes both human and environmental health.

Purchasing agents have the following options:

1. Accept a bid which is not the lowest if:
 - A. The lowest bid is for a non-recycled product; and
 - B. A recycled content product meets the performance criteria specified; or
 - C. A bid other than the lowest bid meets the criteria for environmentally preferable products or services; or
 - D. A cost analysis is conducted over the life and disposal of the product that reveals lower total costs than are reflected in short-term analysis.
2. Award a portion of the contract to bidders offering recycled content or environmentally preferable products.

2.11 Results – Driven Contracting

The Town supports initiatives to integrate Results – Driven Contracting (RDC) strategies and data-driven decision processes into its solicitation, evaluation, award, contracting, and project management processes. RDC and data-based decision making serve as a foundational element to meeting organizational objectives and promoting a high performance, transparent government. Where practical, RDC practices and data-based decisions should be incorporated

into procurement activities. RDC and data-based decision methodologies are available through the Town Administrator/Treasurer's Office, one such resource is the Harvard Kennedy School's article: What is Procurement Excellence?

2.12 Underserved Business Program

The Town commits itself to applying a racial equity lens in its decision-making with the goal of continuing to build an equitable community to ensure a healthy community for all Paonia Residents and visitors.

There is an inherent need within the commercial makeup of the Town to expand small businesses within the Town's marketplace to increase the tax base, to provide new employment opportunities, to stimulate economic development, and to assist in the implementation of the comprehensive plan for the Town.

The Town encourages all underserved businesses to submit responses to all solicitations. The Town will promote the use of underserved businesses by encouraging staff to consider these businesses for award in all solicitations by including it as an appropriately weighted and scored criteria in the evaluation of all vendor submissions. The Town will participate in outreach programs to aid underserved businesses in understanding the Town's procurement process, improve their access to solicitations, and increase the visibility of underserved businesses within the organization.

The Town will permit vendors to self-identify any underserved business status which will be maintained in the vendor files of the ERP system (Caselle). The Town may perform periodic audits to determine if the vendor certifications are current and valid.

The Town will measure awards made to underserved businesses on a regular basis and review award amounts against stated organizational goals.

3.0 Types of Solicitations

Solicitations are purchasing processes designed to seek and obtain goods and/or services. Four types of solicitations utilized by the Town for purchasing are discussed in this section.

- Request for Information (RFI) – RFIs are used to obtain general information from the vendor community on a specific topic related to a project. RFIs are a market research tool used to obtain price, delivery, capabilities, interest, etc. for planning purposes. RFIs must clearly indicate that an award of contract will not automatically follow.
- Request for Qualifications (RFQ) – RFQs are used when requirements are uncertain, and the project manager is seeking potential vendors to provide proposals once requirements have been finalized. RFQs are solicitations documents that request submittal of qualifications or specialized expertise in response to the scope of services required. Pricing is not solicited with RFQ documents issued prior to RFPs, but typically describe the project in enough detail to let potential bidders determine if they wish to compete, and forms the basis for requesting qualifications submissions in a two-phase or prequalification process. Used most often with construction projects.

- Invitation For Bid/Request for Quote (IFB/RFQ) – IFBs/RFQs are formal requests to prospective bidders soliciting price quotations or bids. IFBs/RFQs contain, or incorporate by reference, the specifications of the scope of work and all contractual terms and conditions. An IFB/RFQ is only a solicitation, and it does not qualify as an offer since the Town will review bids and select a vendor prior to entering into a binding contract. Awards are generally made to the lowest priced quote.
- Request for Proposals (RFP) – RFPs are generally used when there are a variety of ways to meet a need, specifications are not available or not fully determined, and/or when professional services or certain personal services are required. RFPs are typically documents used in sealed-bid procurement procedures through which a buyer advises potential bidders of the statement and scope of work, specifications, schedules or timelines, contract type, data requirements, terms and conditions, description of goods and/or services to be procured, general criteria used in evaluation procedure, special contractual requirements, technical goals, instructions for preparation of technical, management, and/or cost proposals. RFPs are publicly advertised, and bidders respond with a detailed proposal, not just a price quote. They provide for negotiations after sealed proposals are opened, and contracts may not necessarily be awarded to the lowest bidder.

3.1 Request for Information (RFI)

a) When to Use:

1. An RFI may be used to obtain general information from vendors regarding products and services. Responses to RFIs are often largely assembled from vendor standard literature for a good or service. RFIs generally contain no project specific financial or cost information and do not result in an award.

- #### b) Acceptance of Late Submissions: Late submissions may be accepted with the discretionary approval of the Finance Department and when in the Town's best interests.

3.2 Request for Qualifications (RFQ)

a) When to Use:

1. An RFQ may be used to obtain specific information regarding a vendor's qualifications and ability to provide supplies, equipment, and certain services. RFQs contain more specific vendor information and responses may be tailored to highlight a vendor's capability to meet a specific scope of work for a Town project. RFQs generally contain no specific financial or cost information and do not result in an award.

- b) Acceptance of Late Submissions: Late submissions to an RFQ may only be accepted with the discretionary approval of the Town Administrator/Treasurer and when in the Town's best interests.

3.3 Invitation for Bid/Request for Quotes (IFB/RFQ)

- a) When to Use: An IFB/RFQ may be used to obtain supplies, equipment, and certain services that can be clearly specified and awarded to the lowest responsible, responsive bidder. The IFB/RFQ is also used for public construction projects valued at \$50,000 and above.

1. Pre-Qualification of Bidders: A two-step process may be used to pre-qualify bidders when deemed appropriate by the Finance Department. Bidders are pre-qualified by responding to an RFI/RFQ to establish competency. The information requested from vendors may include financial background, capacity to perform, lines of credit, manufacturers' authorizations and relevant experience.

Qualified bidders may then be asked to participate in a price solicitation via a targeted IFB process.

2. Prequalification of Commodities: Commodities may be prequalified through study and recommendation by an evaluation team for the specific project.

3. The Following Factors, Among Others, May be Used for Prequalification:

- Quality of commodities or services
- Experience with the commodities involved
- Maintenance cost
- Economic life cycle cost
- Length of time the commodity has been on the market
- Compatibility of existing equipment
- Available warranties
- General reputation and experience of the bidder
- Evaluation of the bidder's ability to serve the Town
- Prior knowledge of experience with the bidder in terms of past performance
- Other legal protection provided in the purchase

- b) Format for IFB/RFQ Document: IFB/RFQ are prepared by the Department seeking the to purchase with guidance from the Town Administrator/Treasurer. IFB/RFQ documents are to use specifications and Scope of Work information provided by the Project Manager. IFBs contain the following elements:

1. Specifications: Clear, concise specifications must be provided. Frequently, specifications state, *Brand Name or Equal*. *Brand Name* includes identification of products by manufacturer, make, and model. Such identification is intended to be descriptive, but not restrictive. Bidders offering an *equal* must submit complete specifications and/or samples with their bids. Determination of equality shall be at the sole discretion of the Town. If it has been justified and accepted by the requesting department and the Finance Department or an evaluation team has determined that only one brand can meet the Town's expectations, *no exceptions* shall be noted in the specifications.
 2. Responsibility Criteria: Include items such as business references, plant capacity, credit data, financial statements, recent tax returns, licenses, bonding and insurances.
 3. Bid Submission Information: Includes the time and date for bidder's conference (if applicable); where, when, and how bids are to be returned; contacts for information during the solicitation period; required signatures on bids; cost/price submission instructions, etc.
 4. Terms and Conditions: Include standard terms and conditions that will be incorporated in the purchase order/contract and any special conditions in the bid document.
- c) Acceptance of Bids: Bids must be received prior to or at the time specified in the bid. Late bids shall not be considered under any circumstances.
- d) Bid Opening: The Purchasing Agent (may be a department director, deputy director, Town Administrator, etc.) or designee shall administer all bid openings and all hard copy bids shall be opened in the presence of one or more witnesses at the time and place designated in the IFB. The opening of the bids shall be recorded by video, voice or both.
- e) Rejection of Bids: The Town may reject any or all bids when deemed to be in the Town's best interests; reject any bid not accompanied by any required bid security or by other data required by bid documents; reject any bid which is in any way incomplete, irregular, or otherwise not in compliance with bid documents in all material respects or reasonable interpretation; and/or waive any informality, irregularity, immaterial defect, or technicality when deemed to be in the Town's best interests.
- f) Bid Award Consideration
1. Cost Factors: in addition to the total bid price (including any discounts), unit or extended price, and administrative costs (if applicable), hourly rates for specified personnel, the Town's administrative costs, maintenance costs and warranty provisions may be considered. Life cycle costs, repurchase value, residual value of equipment after a specified number of years, and or cost and

rate of use of consumables may be considered in cases where these costs are relevant and measurable.

2. The following responsibility factors may be considered:

- Bidder's general reputation and experience.
- Bidder's ability to service the Town.
- Bidder's financial ability to successfully meet the requirements of the contract.
- Town's prior knowledge of and experience with the bidder in terms of past performance.
- Nature and extent of company data furnished by bidder upon request of the Town.
- Size and location of the bidder's warehouse.
- Bidder's ability to meet delivery and stocking requirements.
- Bidder's experience with the commodities or systems.
- Length of time the commodities or systems have been on the market.

Awards shall be made to the lowest, responsible, responsive bidder(s). A responsible bid is one that has demonstrably met the following criteria in the solicitation:

1. Capacity to perform – fiscal, physical, experience on schedule, etc.
2. Ability to comply with applicable laws and regulations – licenses, insurance, bonding, etc.

3. The following responsiveness factors may be considered:

- Adherence to all conditions and requirements of the bid specifications.
- Quantity and quality of merchandise or service offered.
- Compatibility and/or continuity with existing commodities or systems.
- Overall completeness of the commodity line or service offered.
- Delivery or completion date.

A responsive bid is one that adequately meets all solicitation requirements. To be responsive, the bid or proposal must not constitute a different offer or make substitutions for requirements stated in the solicitation.

4. Local Preference: When all other factors are determined to be equal, preference shall be given to firms meeting the conditions of Policy 2.9 – Local Preference.

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3.4 Request for Proposals (RFP)

- a) When to Use: An RFP may be used when the Town's requirements are not precisely defined or quantified. RFPs are required to be used when it is necessary to obtain the services of professional consultants, contractors, architects, engineers, and design firms when the contract for services is expected to exceed \$50,000. Awards made as a result of RFP solicitations are not based solely on cost factors but upon the technical and programmatic superiority of the offeror's proposal. However, the selected proposal should include a price that is within reasonable proximity of other qualified offerors.
- b) Pre-Qualifications: It is sometimes advantageous to conduct a two-phased RFP process in which the first phase is a pre-qualification of firms. This initial phase screens potential offerors for qualifications prior to requesting proposals.
- c) Advertising/Notice: If appropriate, an advertisement announcing the RFP should be placed in at least one local newspaper of general circulation. Notice should be made through the Town's online bidding announcement platforms, including but not limited to the Town's website. Notice may also be sent to firms identified by Town management and the requesting department, other interested firms and/or those firms who have been screened through a prequalification process.
- d) Basic RFP Format: To develop consistency in the preparation of RFPs, a standardized RFP format must be used. Using this format helps to ensure that the RFP contains adequate information about the needed service, facility or program and the RFP requirements. More technical proposals may require additional information. The Town Administrator/Treasurer, or their designee, will assist in the development of RFPs. The basic format for the preparation of an RFP, including a description of what should be included in each section follows:
1. General Project Description: Provide a summary of the needed facility or program and a general description of the services required.
 2. Project Background: Provide relevant background information on the project. A description of the site or program, significant historical data and information on existing facilities and/or programs may be provided. A clear concept of the needed facilities or program should be outlined. A vicinity map and scale site map may be provided. Any available resources such as completed studies, surveys and preliminary feasibility work that are relevant to the project and available to consultants on the overall project budget, including funding sources, may be listed if available.
 3. Scope of Work: Provide the scope of work and services needed in detail. Provide a clear understanding of what will be required, including items such as the degree of community input expected and any required time schedules. Clearly define whether the consultant or the Town will be responsible for related services such as obtaining feasibility studies and permits, coordinating construction, conducting public meetings, and developing

budgets. If construction coordination is required, the consultant's role and level of responsibility should be clearly defined to ensure contractor compliance related to construction documents and responsibilities for contract administration.

4. Services and Materials to be Provided by Town: List all services to be provided by the Town, and available documents relative to the project. Typical services that may be handled by either Town Staff, or the Contractor include, but are not limited to, obtaining surveys, processing permits, coordinating construction, preparing bid documents, obtaining geological data, and conducting public hearings and/or meetings (including open houses).
5. Town Liaison (Point of Contact): Provide the name and contact information of the person acting as the Town's liaison on the project, if applicable, and advise the consultants to direct all questions regarding the project to the liaison.
6. Terms and Conditions: Include the Town's standard contract terms and conditions and insurance requirements. If an increase in insurance policy limits is necessary, based on project value or type, include that information in a separate section of the RFP package. Contact the Town Administrator/Treasurer to obtain the appropriate language for insurance requirements if necessary.
7. Selection Criteria: List the criteria that will be used to evaluate proposals and the relative importance of each criterion. Outline the process that will be used to select a contractor. A rating sheet may be prepared which lists the selection criteria and their relative weighting in the scoring process. A copy of the rating sheet may be provided to the offerors so that they understand the scoring factors and their relative importance to each other.
 - Typical selection criteria may include the following:
 - Technical approach.
 - Qualifications of firm.
 - Qualifications of the specific personnel who will work on the project.
 - Project management and adherence to required time schedules. *Consideration may be given to the location of the firm's office and the resulting availability of the firm for meetings with staff and the public, if necessary.*
 - Cost.
 - References.
8. Proposal Requirements: List the specific proposal requirements including the date, time and place for submittal, and any specific insurance, licensing or legal requirements.

- Typical proposal requirements may include, but are not limited to, the following:
 - Name, address, contact email address, and telephone number of the business submitting the proposal.
 - Identification of the project manager, and/or principal contact.
 - A complete description of the approach to the analysis and how the major work elements are to be accomplished.
 - Detailed estimate of work hours per task.
 - A listing of personnel who would perform the work, including any subcontractors, and the amount of time that each would commit to the project by task.
 - Reference information including contact information.
- e) Acceptance of Proposals: Proposals are to be received at the time and place specified in the RFP. All proposals will be date-stamped upon arrival. Late proposals will only be considered when it has been determined to be in the Town's best interests to do so and may only be accepted within twenty-four (24) hours after the scheduled closing. Approval of the Department Head, or their designee, and, if the proposal is administered by the Finance Department, the approval of the Town Administrator/Treasurer shall be required for acceptance of late proposals.
1. A Responsible proposal is one that has demonstrably met the following criteria in the solicitation:
 - Capacity to perform – fiscal, physical, experience and schedule.
 - Ability to comply with applicable laws and regulations – licenses, insurance and bonding.

3.5 Sole Source / Request to Proceed

The Sole Source/Request to Proceed policy should be followed for purchases \$10,001 and greater where a competitive solicitation process will not be used. A sole source justification is to be used in a situation where only one vendor can provide a solution for the Town. A request to proceed is to be used in a situation where the normal procurement process cannot be followed. Sole Source justifications or Requests to Proceed are strongly discouraged and must be signed by the Town Administrator/Treasurer at any dollar amount.

Circumstances sometimes require that certain goods and services can only be feasibly obtained from a single or sole source. Sole Source acquisitions must be justified in sufficient detail to explain the basis for suspending the usual competitive procurement process.

Sole source justification is not needed in cases where a contract renewal provision, or continuation of services, is expressly stated in the solicitation.

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a) The following factors, if verified, may justify sole source purchases:

1. What capability does the proposed contractor have that is critical to the specific effort and makes the contractor clearly unique compared to other contractors in the same general field?
2. What prior experience of a highly specialized nature does the proposed contractor have that is vital to the proposed effort?
3. Does the proposed contractor have a substantial investment that would need to be duplicated at the Town's expense by another contractor entering the field?
4. If timelines are involved, why are they critical and why can the proposed contractor best meet them?
5. Is competition precluded because of the existence of patent rights, or copyrights?
6. Does this acquisition require compatibility with any existing Town equipment?
7. What unique characteristics does the equipment or material offered by the proposed contractor possess that are required to meet the Town's needs?
8. Is competition precluded because of existing equipment maintenance program/contracts/warranties?

b) Documentation/Approval

Sole source requests should be documented through a memorandum outlining the justification and submitted to the Town Administrator/Treasurer for consideration. The requesting employee must notify their respective department director and provide the Town Administrator/Treasurer with evidence of concurrence from the director.

The Town Administrator/Treasurer is authorized to approve sole source requests valued up to \$5,000. Any Sole Source requests over that amount must be approved by the Board of Trustees and must have received a favorable recommendation from the Town Administrator/Treasurer prior to being placed on an agenda for consideration.

c) Negotiation

Sole source acquisitions require non-competitive negotiation and may require price/cost analysis by the Finance Department to determine price reasonableness.

4.0 Contract Procurement Policies

This section describes procurement policies for the various types of purchases and agreements utilized by the Town of Paonia.

a) Length of Contract Term

Generally, the Town does not enter into contracts for longer than one (1) fiscal year. While contracts for the purchase of commodities/equipment may be renewed annually, all contracts for commodities and equipment must be reviewed for certification or renegotiation not less than every five (5) years to ensure the Town is still receiving good value for the public.

b) Consolidation

Contracts shall be consolidated whenever feasible. Contracts shall not be intentionally split to avoid approval or procurement requirements.

4.1 Commodities/Equipment

Commodities/Equipment contracts include all contracts and purchase orders for supplies, materials, and equipment. Equipment (fixed assets) is defined as a capital asset costing \$5,000 or more, and its useful life expectancy is one year or more.

4.2 Services

a) Continuing Services Agreements/Contracts (CSA)

For services, it is advisable to establish and implement Continuing Services Agreements (CSAs). CSAs can be beneficial in circumstances where the same type of service, such as consulting, landscape services, laundry services, janitorial services, security services, etc., are repetitive in nature and potentially needed by multiple Town departments.

The Finance Department may establish a CSA after reviewing Town departmental needs for a specific type of service and analyzing vendor responses to an RFP conducted by the Finance Department based on biddable specifications, qualification, and/or an informal review of competitiveness of rates for other similar services. A CSA enables the Finance Department to take advantage of any economy of scale resulting in significant savings to the Town by standardizing and fixing cost rates for a service over an extended period of time. It also allows departments to utilize the service without having the burden of developing their own separate independent contractor agreements for the same type of service. CSAs are generally issued for

individual projects that do not exceed \$50,000 in value. CSAs can be renewed for an additional four (4) years at the option of the Town as determined by the Town Administrator/Treasurer in consultation with the Finance Department and the department that uses the contract. After issuance of the CSA, the Finance Department has primary responsibility for renewal and places the agreement on the Town's continuing list of agreements.

b) Qualification Based Selection (QBS)

Certain professional consulting services (engineering, architect, etc.) may be awarded under a QBS process using Town approved guidelines for award of those services.

QBS contractors are typically selected via a public, competitive process (typically via RFQ) where vendors are selected primarily based on their qualifications. Award to a QBS vendor must be supported by a receipt of competitive proposals from other QBS contractors for the scope of work to be awarded. This helps to ensure that a QBS award is based on rates that are commensurate with rates from peer group companies.

A purchase order is necessary to facilitate payment against a QBS contract.

4.3 Software

Software is defined as any computer program installed on a Town of Paonia computer ("Licensed Software") or accessed by a Town employee in the course of their work ("Hosted Software" or "Software as a Service" also known as "SaaS"). Software of any type may only be purchased through the use of an IT Agreement for Software and Services, which is first reviewed by the Town's IT provider, and approved by the Town Administrator/Treasurer and the Town Attorney's Office before placing on an agenda for approval by the Town's Board of Trustees.

5.0 Formal Solicitation Policy

A formal solicitation is required for the purchase of goods and services that have a value of \$10,000 or greater.

Formal bidding is a procurement method involving competitive sealed offers that require:

- Adoption of plans, specifications, working details, scope of work, etc.
- Formal advertising in a general circulation newspaper during a solicitation process typically not less than (10) days.
- Submissions at a pre-designated time and place depending on the project needs.
- Referral of submissions to the department for evaluation.
- Award of a contract to the responsive and responsible vendor who has submitted the lowest bid that meets the requirements and criteria set forth in the invitation for solicitation.

- Notice of award to the selected bidder.
- Completion of all required contract documentation.
- Notice to proceed is issued to the contractor.
 - If grant funded, a notice to proceed from the granting agency is required before any work is to proceed by the contractor and must be received by the Town before a notice to proceed is sent to the contractor by the Town.
- The notice inviting responses shall state the time and place for submissions and distinctly state the project to be completed and the place where plans, scope of work, and specifications are on file.
- In addition to the notice published in a newspaper of general circulation, the Finance Department may also publish notice in a trade publication and/or through other means designed to encourage competition, such as bidnet.

5.1 Bid Documents

a) Copies of Bid Documents

- 1) Bidders shall use complete sets of bidding documents in preparing bids; the Town will not assume any responsibility for errors or misinterpretations resulting from the use of incomplete sets of bidding documents, or documents not received directly from the location where the Town has posted the documents.
- 2) The Town makes copies of the bidding documents available on the above terms only for the purpose of obtaining bids for the specified commodities or services and does not confer a license or grant for any other use.

b) Interpretation or Correction of Bidding Documents

- 1) Bidders shall promptly notify the Finance Department of any inconsistency or error discovered upon examination of the bidding documents, or of the site and local conditions.
- 2) Any interpretation, correction or change of the bidding documents will be made by written addendum. Interpretations, corrections or changes of the bidding documents made in any other manner will not be binding, and bidders shall not rely upon such interpretations, corrections and changes.

c) Alternate Bids

- 1) The materials, products and equipment described in the bid documents establish a standard of required function, dimension, appearance and quality to be met. An equal product must meet minimum specifications and the burden of proof of merit of proposed alternate or substitute is on the bidder.

- 2) Non-solicited alternates may be considered for award if submitted by the bidder who would otherwise be the low bid.
- 3) Solicited alternates may be awarded based on the sole judgement of the Town.

d) Addenda

- 1) Addenda will be posted at the same location as the original solicitation.
- 2) No addenda will be issued later than two (2) calendar days prior to the date for submissions except an addendum withdrawing the request for submission or one that includes the extension of the due date.
- 3) Each bidder shall be responsible for ascertaining prior to submitting a bid that it has received all addenda issued.
- 4) Bidders shall acknowledge receipt of addenda to receive award consideration unless otherwise indicated in the bid documents.

5.2 Form of Submission

To receive consideration, submissions shall be made on the forms and in the manner described and/or provided within the solicitation.

- Late submissions to a solicitation may only be accepted with the discretionary approval of the Town Administrator/Treasurer and when determined to be in the Town's best interests.
- Each bid must be signed by an authorized vendor representative, include the legal name of the company, and a statement of non-collusion signed by the company.

5.3 Bid and Project Security

A bid bond or bid deposit (certified or cashier's check) made payable to the Town of Paonia is required to protect the Town in the event the bidder awarded the contract does not execute the contract, furnish any required performance bond, and/or proceed with performance. A required bid bond or bid deposit must be submitted with the bid and be the amount as specified in the solicitation. In the event a low bidder is allowed to withdraw its bid due to claim of error, the Town may retain the bid guarantee.

For construction projects valued at \$50,000 or greater, the Town may choose to withhold retainage to be used to satisfy unresolved project claims.

5.4 Receipt of Bids

All bids must be received in accordance with the instructions in the solicitation document.

5.5 Opening of Bids

The purchasing agent or designee shall administer all bid openings and coordinate them with the Town Clerk's office. The Town assumes no responsibility over the confidentiality of bid information unless specifically stated otherwise in the solicitation document.

5.6 Correction or Withdrawal of Bids

Mistakes in submissions detected prior to opening may be corrected or withdrawn by the submitting vendor. Any request made to correct or withdraw a submission prior to opening must be made by a bona fide representative of the bidder. Mistakes in bids detected during or after a bid opening may not be corrected by the bidder.

Exceptions allowed to be corrected include:

- A vendor may be permitted to correct a material mistake that would cause such vendor to have the low-cost submission if the mistake is clearly evident from examining the document; for example, mathematical errors. However, a vendor shall not be permitted to correct a bid for errors of judgement. The vendor of the lowest cost submission shall not be permitted to increase its price and still be considered the low bidder.
- An otherwise low bidder may be permitted the opportunity to furnish other information called for by the solicitation and not supplied due to oversight, so long as it does not affect responsiveness.

The Purchasing Agent shall maintain complete and sufficient records of evaluations to ensure there is no abuse of the competitive process. All reasons for making the award recommendation shall be made in writing by the Project Manager and retained in the archives.

5.7 Bid Evaluation

The Purchasing Agent shall maintain complete and sufficient records of evaluation to ensure there is no abuse of the competitive process. All reasons for making the award recommendation shall be made in writing by the Project Manager and retained in the archives.

5.8 Rejection of Bids

The Town may, in its discretion, reject any submissions presented. The Town may also:

- Reject a submission not accompanied by any required bid security or by other data required by the bidding documents.
- Reject a submission that is in any way incomplete, irregular, amplified, unqualified, or otherwise not in compliance with the solicitation documents in all material respects.

- Reject a submission that includes a blanket rejection of the Town’s contract terms and conditions.
- Waive any informality, irregularity, immaterial defects or technicalities, in any submissions received.
- Cancel any solicitation or reject all submissions because any of the following reasons:
 - Specifications are inadequate or ambiguous.
 - Specifications have been revised.
 - Supplies or services are no longer needed.
 - Town Requirements have changed.
 - All submissions have been deemed unreasonable.
 - Submissions were not independently arrived at and/or were submitted in bad faith.
 - Necessary requirements of the solicitations process have not been met.
 - Competition is insufficient.
 - Cancellation or rejection of all submissions is clearly in the Town’s best interest.
 - The company’s name appears on either the Federal Excluded Parties list and/or the appearance of the company’s name on any debarment list.

5.9 Written Quotations

Any written quotes, including email, received shall be retained as an attachment to the requisition in the ERP system. Written quotes shall include the name of the supplier representative and the date of the quote.

5.10 Fixed Assets

Fixed assets (equipment that has a unit cost of \$5,000 or more and a useful life greater than one year) should be budgeted and the asset tracked by the Finance Department.

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6.0 Departmental Policies

Town departments have important responsibilities in the procurement of goods and services. Departments are encouraged to utilize the resources of the Finance Department for assistance.

6.1 Requisitioning Process

Departmental Responsibilities

Departments shall contact the Finance Department early in the purchasing process to benefit from advice and assistance on specifications, sources of supplies, price advantages, substitutions, and a determination of each department's precise needs. Further, departments are responsible for:

- a) Determining that sufficient funds are available to pay for requested goods and services.
- b) Ensuring that requested items/services are necessary to operations and are used for their stated purpose.
- c) Ensuring that requisitions and purchase orders are completed and processed for payment satisfactorily.
- d) Ensuring that the Finance Department is informed of annual requirements in a form and manner as requested by the Finance Department.

6.2 Signature Authority

All requisitions sent to the Finance Department must be approved by an authorized departmental approver(s) in accordance with the Enterprise Resource Planning (ERP) system workflow. These approvers are typically the department head or their designee.

6.3 Specifications

Departments must develop specifications that are nonrestrictive and provide samples (as needed) that clearly describe the item(s) needed in terms of performance. Finance and the requesting department will jointly determine "equal" items. If a purchase requisition specifies a brand name or model, Finance will assume that "equal" items are acceptable.

If a department determines that only a specific make and model will meet its needs, the department shall complete the Sole Source Justification form (See Section 3.5) that details the unique features of the sole source item and states why these features are required. If other brands and models have been tested or used previously, the department shall specify the brands and models used, and why they are unacceptable. Similarly, prior unsatisfactory performance may be used for future source evaluations.

The Finance Department may return the requisition for additional justification if a specific item appears to be unreasonably restrictive or inappropriate.

6.4 Record Retention

All requisitions and related procurement documents shall be retained in accordance with the record retention policy for the Town. Additional information may be found in the Clerk's office.

6.5 Receiving

Departments shall provide for the receiving, inspection and acceptance or rejection of merchandise delivered, and services performed. Departments should assign the responsibility for receiving and inspecting shipments to the specific individuals, preferably someone other than the person who approved the requisition. Departments are responsible for ensuring that commodities delivered, and services performed conform to the order specifications as applicable. Assigned staff must inspect merchandise received in a timely manner so that problems, if any, may be identified and more easily resolved. Generally, merchandise should be inspected within three business days of receipt.

Departments should ensure that the invoice is promptly processed for accepted merchandise or services to take advantage of any discounts to which the Town is entitled. Department personnel are also required to submit the invoice to the Finance Department for inclusion in the ERP system to initiate the payment process.

6.6 Materials Expediting

If a supplier is late meeting specified delivery dates, the department should contact the purchasing agent responsible for the purchase order or contact to aid in expediting the order. The purchasing agent may contact the supplier on the department's behalf and will continue to monitor the supplier's progress until the order is complete.

6.7 Manufacturers' Warranties

Many items of equipment purchased by departments carry a manufacturer's warranty of acceptable materials and workmanship. All departments shall register and maintain proper records of such warranties to ensure that the manufacturer repairs defects covered by the warranty.

6.8 Energy Conservation

Prior to the purchase of all new equipment, except in the case of an emergency, the purchasing agent or any other Town officer, or employee authorized to purchase such equipment shall evaluate and consider the energy consumption level and the anticipated operating costs over the useful life of the new equipment in addition to the initial cost of the equipment.

6.9 Special Receiving Assistance

Because of their technical nature, or support requirements, receipt of the following items should be made by, or shall be coordinated with, the indicated departments.

<u>Items/Services</u>	<u>Coordinating Department</u>
Vehicles	Clerk's Office (Registration and Insurance)
Telecommunications Equipment	Town Administrator and IT provider
Computer Equipment	Town Administrator and IT Provider

6.10 Material Safety Data Sheets (MSDS)

A Material Safety Data Sheet (MSDS) must accompany all hazardous materials ordered and received by a department. If the department does not receive an MSDS, the department must contact the supplier and request two copies (one for the Town's Risk Management master folder and one for the receiving department) before approving the invoice for payment. Every department is responsible for maintaining a complete file of all hazardous materials that must be filed by the name of the chemical and be made available in a central location to anyone needing the information.

6.11 Vehicles

The Town Clerk's Office is responsible for the administrative aspects of all registration and licensing of Town owned and leased vehicles in the general Town fleet. The Town Clerk's office is also responsible for updating the insurance company for all new vehicles to the fleet and for removing vehicles from insurance that are liquidated.

7.0 Disposal of Surplus Property

Surplus Town Property is to be disposed of through a competitive bidding process. Formal competitive bids or conducting a public auction is required for the sale of any item of obsolete, surplus, or unusable Town property with an estimated value of at least \$1,000.00 or for the sale of more than one item of such property with an estimated accumulative value in excess of \$2,500.00.

The property shall be sold to the highest bidder, unless the Town Administrator/Treasurer determines that it is not practical and advantageous to do so. The Town Administrator/Treasurer may require such bonds or other surety as deemed prudent to assure prompt payment. The Board of Trustees shall be promptly notified by the Town Administrator/Treasurer on any determination to donate or otherwise dispose of any item of Town property with an estimated value at least \$1,000.00, other than through a formal competitive bid or a public auction. Prior to the beginning of any competitive bid or public auction the Board of Trustees shall review items to be disposed of and give their approval.

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The Town will routinely use auction services for the disposal of surplus equipment. However, other methods for disposal of surplus may be used as appropriate.

The Finance Department should be contacted when capital assets are disposed of to ensure that they are properly accounted for in the Town's asset tracking system.

7.1 Prohibition Against Purchase by Employees

Any officer, agent or employee of the Town assigned to the purchasing function, or responsible for surplus declarations, or having privileged information regarding the personal property or the value thereof that is not available to all prospective bidders, or assigned to the organization having custody of the surplus property shall not directly or indirectly submit a bid or purchase surplus personal property, unless the disposal method is competitive bidding through a third party auction house. This policy shall be liberally construed to prohibit any appearance of impropriety and the Town Administrator's office should be consulted for an opinion from the Town Attorney's office whenever there is a question of probable conflict.

The direct sale of surplus property (materials, supplies, machinery, furnishing, equipment and any other tangible article) to Town employees, other than through an auction conducted by a third-party auction house, is prohibited.

7.2 Donations

Departments may donate surplus property with a total estimated value of \$1,500 or less, if, in his/her judgement, donating the property is in the Town's best interests.

The Town Administrator/Treasurer must notify the Board of Trustees and may also direct the Department(s) or the Finance Department to coordinate the donation of an item of surplus property with an estimated value of between \$1,501 and \$5,000 or donate more than one item with an estimated cumulative value up to \$5,000.

Any donation of property should be documented by the Town and expressly state the donation "as is," and carries no warranties, express or implied.

7.3 Surplus Personal Computer (PC) Systems

The Town Administrator/Treasurer's office will have the responsibility to direct and manage disposal of copiers, imaging systems, personal computer systems, and related equipment. Department personnel should contact the Town Administrator/Treasurer when they have surplus computer related items for disposal.

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8.0 Grant Funded Purchases

Projects either fully or partially funded by grants may have their own, specific procurement requirements to maintain funding. Project managers must be aware of and follow any specific procurement requirements to ensure funding. If specific procurement requirements conflict with policies outlined in this document, the requirements attached to the grant prevail, if not in violation of any applicable law. If no specific procurement requirements are outlined in the grant, the policies of this document will prevail.

9.0 Credit Card/Purchasing Card Program

The use of purchasing and credit cards are intended to save time and money and to avoid the need for payment requests for purchases. This policy applies to Town employees whose jobs require them to use a credit card issued to them by the Town of Paonia.

a) Conditions of Use

Only the named cardholder may use the issued Credit Card. Any default department credit cards shall be managed by the Town Administrator's designee.

Purchasing cards and credit cards are generally issued to all supervisors, although this may vary by department. All purchases will be reviewed by the Town Administrator and are subject to review from the Department Director, Finance Department, and Finance Committee.

A receipt copy on 8 ½ x 11 is required and must be coded to the proper expense account according to the adopted town budget. These coded receipts must be submitted to the Town Administrator within three days of the purchase date. The Department Head or related credit card holder must also code the expense on the credit card issuers website and attach a photocopy of the receipt. The requirement of a hard copy may change should the card issuer's website prove to meet the requirements of this policy. Until then both the hardcopy and digital processes shall be followed.

The default credit limit on Town purchasing cards is \$1,500. Higher limits may be granted with the Department Director's, or the Town Administrator's approval. Generally, the highest limit is \$5,000. Temporary increases can be requested for a planned purchase, with Board of Trustees approval.

Purchasing cards and Credit Cards are for purchasing appropriate foods and services while conducting business for the Town of Paonia only. These purchases should be necessary for completing your work and within the bounds of your normal purchasing needs or authority per your supervisor and established procurement policies.

b) Food Purchases

The purchase of food and services by an employee of the Town is allowable only when conducting business for the Town of Paonia while attending conferences, trainings, or town business outside of the Town's incorporated limits. When purchasing for food services, you are allowed to tip 10% for carry-out orders and anywhere between 15-20% for waiter/waitress type service, depending on the quality of service, but not to exceed 20%.

Meal receipts must be itemized, and a record must be kept stating the business purposes along with the names and titles of those served. Within these limits, meals can be excluded from employees' taxable pay under IRS regulations.

Alcohol purchases are expressly prohibited.

c) Per Diem

Allowances for meals and incidental costs incurred on official Town travel must follow U.S. General Services Administration per diem rates for the location. Any charges incurred on a Town Credit Card or Purchasing Card that is over the limit as identified in the US GSA for that location may be required to be reimbursed by the employee.

d) Restricted Purchases

Certain purchases have specific requirements or restrictions:

- **Employee Gifts** – The Town Administrator shall approve purchasing of any gift for a current or former employee, such gifts are related to service awards or merit awards and shall not have a greater market value than the current State of Colorado gift ban amount of \$75.00 which may be adjusted from time to time by the Colorado Independent Ethics Commission.
- **Capital – Related Purchases** – Any purchase related to a capital expenditure must be limited and clearly identified by the underlying capital item that the purchase relates to, such as project name and activity number.

e) Minimum Consequences of Violation

It is expressly prohibited to use Town credit cards or purchasing cards for personal use. The misuse or personal use of credit cards and purchasing cards may result in disciplinary action up to and including termination. A memo signed by the Department Head to the Town Administrator is required immediately following any personal use, along with a check, cash or money order, to reimburse the Town for the erroneous purchase.

In the event of a non-routine purchase, prior approval from a Supervisor, Department Head, or the Town Administrator must be obtained. Misuse of any purchasing

authority is cause for deactivation and may result in disciplinary action, up to and including termination.

f) Sales Tax

The Town of Paonia is a tax-exempt entity. Town employees are expected to complete any paperwork a vendor may require to secure tax-exempt status for purchases. The Town tax exempt number or certificate is available upon request from the Finance Department. If sales tax is charged in error, the employee should request a refund from the vendor to be issued back to the Town equal to the sales tax amount. In the event that a merchant does not accept the State of Colorado exemption certificate, it is acceptable to pay applicable sales tax and note the reason tax could not be removed.

g) Security

Employees are responsible for the secure keeping of their credit cards. If the card is lost or if there is any reason to believe that the card has been tampered with, the Town Administrator should be notified immediately, and the card forfeited until it can be replaced. Employees shall also verify the last authorized transaction to ensure that it is a legitimate purchase.

h) Card Deactivation

Cards can be deactivated at any time with or without cause by the Town Administrator. Purchasing cards are deactivated by Finance on the departing employee's last day, per email communication from Human Resources. If an employee is terminated, that employee's supervisor should immediately contact Finance.

i) Personal Use

Town credit cards are to be used for town purchases only. If a personal purchase is made by mistake, the Purchasing Cardholder must reimburse the Town upon identification of the error. Generally, a second occurrence will result in a verbal warning, and a third occurrence will result in termination of the Purchasing Card along with documentation to the employee's personnel file for performance review purposes. However, instances of personal use are reviewed on a case-by-case basis and may result in disciplinary action up to and including termination.

j) Compliance and Signature Required

All employees that are either issued or have an occasion to use a purchasing card or credit card must sign a copy of this policy prior to use and it must be kept within their personnel file.

10.0 Debarment of Suppliers/Contractors

The Town Administrator/Treasurer may debar or suspend a vendor or contractor for just cause, but not until the Town Attorney has provided an opinion on the debarment or suspension and the procedures recommended by the Town Attorney have been followed.

10.1 Causes for Debarment

The causes for debarment include the following:

- a) Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public contract or subcontract.
- b) Conviction or indictment under a state or federal statute of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
- c) Conviction, pled guilty to, declared nolo contendere, or indictment under a state or federal antitrust statute, a charge of engaging in conspiracy, collusion, price fixing, or combination thereof, or other unlawful act in restraint of trade, or business discrimination, or of similar charges in any Federal court or a court of this or any other state.
- d) Failure or default without good cause to perform in accordance with any contract or unsatisfactory performance with any contract.
 - 1) Continually failed or refused to correct deficient work or replace substandard or unauthorized materials found by the Public Works Department, or its agent, or fails to make prompt progress payments to subcontractors for materials or labor.
 - 2) Continually found to not be in reasonably close conformity with the project document or failed to correct work so as to be reasonably acceptable.
 - 3) Continually failed to carry on the work in an acceptable manner or refused to comply with a written order or directive of the Public Works Director, designee, or their agent, within a reasonable time, or has responded to the Public Works Director, designee, agent, Town official, employee, or the Town in any manner which is either threatening, disparaging, or insulting.
 - 4) Persistently failed to timely complete a contract, or sought unreasonable extensions of time on current projects, or refused to comply with directives of the Public Works Director, designee, agent, Town Administrator/Treasurer, or the Board of Trustees.
 - 5) Failed to perform the contract with skilled workers as required in the project documents, or otherwise assigned or disposed of work to an unauthorized contractor, or to subcontract any portion thereof without approval of the Public Works Director, designee, agent, Town Administrator/Treasurer, or the Board of Trustees.

- 6) Forfeited a bid bond or failed to enter into a contract upon an offer of award by the Town in response to a prior advertisement for bids for the same project, or any combination of projects involving the same work for which the award is currently being considered.
 - 7) Failed to comply with the nondiscrimination requirements of the standard specifications or special provisions as outlined in bid documents.
 - 8) Failed to comply with the requirements of the Federal Davis-Bacon Act requirements to pay prevailing wages during the course of a federally – funded project, as required by Federal law.
- e) Debarment, disqualification, or suspension by another government entity for any reason.
- 1) This includes a supplier/contractor that has subcontracted, employed, or otherwise used the services of anyone who has been disqualified by the Town from working on Town projects.
 - 2) Town employees are automatically disqualified by the nature of their employment with the Town, and any supplier/contractor that hires and pays a Town employee for a project is grounds for debarment.
 - i. No Town officer or employee shall have an interest, direct or indirect, in any contract or job of work or material of the profits thereof of services to be furnished or performed for the officer’s or employee’s Town.
 - ii. This provision does not apply to a Town employee that has an employment contract with the Town.
- f) An actual or perceived conflict of interest between the supplier/contractor and other clients serviced by the supplier/contractor.
- 1) For the purposes of this section, a conflict of interest is defined as acts benefitting other clients of the supplier/contractor that have an expressed or implied agreement/contract with the Town that is in direct conflict with the goods or services being supplied by the supplier/contractor.
 - 2) The perception of a conflict of interest between the supplier/contractor and other clients serviced by the supplier/contractor is generally not enough for disbarment, but when combined with a service to another client that has an active contract with the Town it becomes a conflict of interest.
- g) Offered, promised or given a gratuity to any person elected, selected, appointed, employed or otherwise engaged in public service to secure or fulfill a Town contract, or has employed as its own employees during the course of the project any of the foregoing.

10.2 Other Actions

This section shall not be construed as to limit or prejudice any administrative or legal action available to the Town.

10.3 Federally Funded Vendors' Exclusion Records

In accordance with Federal requirements concerning debarment and suspension of vendors participating in and/or receiving funding related to Federal programs, Purchasing shall conduct searches for federally funded vendors' active exclusion records.

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GLOSSARY

Addendum. An addendum is a change or modification to achieve correctness. An addendum is also an alteration, modification, deletion or addition to a solicitation document such as a Request for Bids. An addendum must be in writing.

Award. An award is the presentation of a purchase agreement or contract to a bidder or the acceptance of a bid or proposal.

Best Interests (of the Town). A term used in granting a purchasing official authority to use discretion to take action that is felt most advantageous to the Town. This authority is used when it is difficult or impossible to anticipate adequately the circumstances that may arise so that more specific directions could be delineated by the law or regulation.

Bid Bond. An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event that a specific successful bidder fails to sign the contract for the solicitation.

Blanket (Open) Purchase Order/Agreement. An arrangement under which a purchaser contracts with a supplier to provide an item(s) or a service(s) on an as-needed basis. Properly prepared, such an arrangement sets a limit on the period of time it is valid and the maximum amount of money that may be spent within a specified period.

Change Order. A written modification, addition or deletion to a purchase order or contract.

Competitive Bidding. The submissions of offers by individuals or firms competing for a contract, privilege or right to supply merchandise or services.

Commodity. An article of trade, product, or goods.

Competitive Sealed Bidding. A method of procurement that requires the following elements: Issuance of an Request for Bid with a purchase description/specifications, acceptance criteria and all contractual terms and conditions applicable to the procurement; a contemporaneous opening of bids at a pre-designated time and place; an unconditional acceptance of a bid without alteration or correction except as authorized in this Manual; and an award to the most responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the solicitation and by the project team.

Confirming Purchase Order. A purchase order issued to a supplier, listing goods or services and terms of an order placed verbally by a purchasing agent, or otherwise, in advance of the issuance of the usual purchase document.

Consultant Services. A type of service where an independent contractor provides expert advice or services that involve extended analyses and the exercise of discretion and independent judgment, such as financial audit firms, grant writers, program specialists and others. See also **Professional Services**.

Contract. An agreement, enforceable by law, between two or more competent parties, to perform a particular act within the law, for a consideration. Also, any type of agreement or order for the procurement of supplies, services or construction.

Debarment. A process in which a supplier or contractor is prevented from being considered for the award of contracts. If Contractor's name appears on either the Federal or the State Debarment Lists results in rejection of contractor's bid.

Discount. Generally, a supplier's deduction from the list price, or some cost-reducing condition or negotiation, such as prompt payment (i.e., 2% if payment received within 30 days).

Emergency Purchase. An immediate acquisition by a department to obtain goods or services to avoid a substantial hazard to life or property, or serious interruption of the operation of a Town department. Such action may be taken by a department when purchasing agents are not available.

Fixed Asset. A fixed asset is an item of equipment that costs \$5,000 or more and has a useful life expectancy of greater than one year.

Formal Bidding. A procurement method involving competitive sealed offers that requires: adoption of plans, specifications and working details for a specific project; formal advertising in a general circulation newspaper during a bidding process; public opening of bids at a predesignated time and place; referral of bids to the operating department ; unconditional acceptance of a bid without alteration or correction except as authorized in Town Code; award of a contract to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the invitation for bids; completion of all required contract documentation; and a Notice to Proceed is issued to the contractor.

Informal Bidding. A procurement method managed by the individual department to seek bids but does not require the same level of documentation as formal bidding.

Informal Quotation. A verbal or written solicitation for goods and services without the use of a formal competitive bid process.

Invoice. A seller's itemized document referencing order/contract number stating prices and quantities of goods and/or services delivered and sent to the Town for payment.

Living Wage. An initiative that requires private sector employers who contract with the Town to provide specified services must pay their employees a living wage as approved by the Board of Trustees and periodically modified.

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

Personal Property. Materials, supplies, machinery, furnishing, equipment and any other tangible article required for the conduct of business of the Town.

Personal Services. Services provided by skilled trades persons, technicians and others including facility and equipment maintenance, security services, installation of equipment and furnishings, tree trimming, janitorial, etc. Personal services agreements do not include those for public projects, consultants, engineers, architects, designers, and other professional services. Generally, specifications for personal services agreements may be specific enough so that the services can be secured through quotes and/or bids. RFPs may also be appropriate when the service requirements so justify.

Pre-Qualification. A process in which bidders/vendors/service providers are pre-qualified by responding to a solicitation to establish responsibility. This may include information regarding such factors as financial background, industry stability, capacity to perform, lines of credit, manufacturers' authorizations, relevant experience, etc. Qualified firms may then be asked to participate in a price solicitation.

Prevailing Wages. Wage rates adopted by government entities, the payment of which is required of contractors performing construction work for some designated projects.

Procurement. The process of seeking and obtaining goods and services.

Professional Services. Professional services and consultant services include services that are of an advisory nature, provide personal expertise and/or a recommended course of action, and have an end product that is basically a transmittal of information related to Town programs. Providers are selected on the basis of qualification, subject to the negotiation of fair and reasonable compensation. Classification as professional services may also require an advanced, specialized type of knowledge, expertise or training customarily acquired either by a prolonged course of study or equivalent experience such as accountants, physicians, labor consultants, investigators, attorneys, architects, surveyors, or engineers. See also **Consultant Services**.

Project. Planned work or activity that is finished over a certain period of time and intended to achieve a particular purpose.

Purchase. Any contractual arrangement or transaction involving payment; the acquisition of title to personal property; the use by rental, lease or otherwise of personal property; the provision of services by independent contract or otherwise; or any combination of the foregoing.

Purchase Order. A document prepared by the purchasing agent and provided to a supplier formally stating all terms and conditions of procurement.

Quotation. A statement of price, terms of sale, and description of goods or services offered by a supplier to a prospective purchaser, the stating of the current price of a commodity.

Request for Bids (RFB). All documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the policies set forth in this Manual.

Request for Information (RFI). All documents, whether attached or incorporated by reference, utilized for soliciting information in accordance with the policies set forth in this Manual.

Request for Proposal (RFP). All documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the policies set forth in this Manual.

Request for Qualifications (RFQ). All documents, whether attached or incorporated by reference, utilized for soliciting qualifications in accordance with the policies set forth in this Manual.

Requisition. A requisition is an internal document by which a department requests Purchasing to initiate procurement.

Responsible Bidder or Offeror. A person or firm that has the capability in all respects to perform fully the contractual requirements, and the integrity and reliability to assure good faith performance.

Responsive Bidder. A person or firm that has submitted a bid that conforms in all material respects of the solicitation.

Specifications. A detailed statement of particulars prescribing dimensions, materials, performance, quality of work etc. for something to be purchased, built or installed.

Sole Source Purchase. An award for a commodity or service that can only be purchased from one supplier, usually because of its technological, specialized, or unique character.

Solicitations. Purchasing processes designed to seek and obtain goods and/or services including Request for Qualifications (RFQ), Request for Information (RFI), and Request for Proposals (RFP) and Request for Bid (RFB).

Standardization. The organized process of obtaining solutions to common problems by establishing agreement on specific quality, design, size, color, etc. The established agreement is called a standard.

Town Management. Collectively the Town Administrator, Town Clerk, Public Works Director, Police Chief, Staff Accountant and may include the Board of Trustees.

Underserved Business. A business that is at least 51 percent owned by one or more individuals who are both socially and economically underserved.

Warranty. A written guarantee of the integrity of a product and of the maker's responsibility for the repair or replacement of defective parts.