

INDIAN MOUNTAIN METROPOLITAN DISTRICT PROCUREMENT POLICY

Procurement/Purchasing

All expenditures shall be made in compliance with the Colorado Revised Statutes, as amended; shall adhere to all District policies issued relative to the purchase of goods and services; and shall be within approved budgeted amounts. Unless approved in writing by the board of directors, purchases or contracts made contrary to this policy will not be binding upon the District and the person making the purchase may be held personally liable.

Purchasing Authority

Purchases of \$1,000 or less that have been budgeted and appropriated may be approved by the District Manager. All purchases in excess of \$1,000, or which have not been budgeted for the budget year of the purchase, require the formal approval of the Board.

Informal Quotes - Purchases less than \$3,000

Informal purchase procedures may be used for the procurement of standard, non-complex goods or services costing less than \$3,000 that are not provided for in other District contracts. The purchaser shall obtain a minimum of one price quote, either in person, by telephone or fax to obtain catalog prices for the purchase of the required supplies, materials, equipment or services. Multiple vendors should be considered when there are multiple providers to choose from. The District reserves the right to reject any and all quotes, and to select, in its discretion, the supplies, materials, equipment or services determined to be in the District's best interest.

Formal Competitive Bid/Quote Requirement - Purchases \$3,000 or More

Whenever a project will be undertaken, a committee (District Manager and at least one Board Member) will develop a detailed scope of work to clearly communicate the project's requirements and objectives. Bidders shall be sought through notice by newspaper publication and other sources. Proposals received should be reviewed by the procurement committee that will make the determination of the best value for the money and will present the selected bidder to the Board for approval. The District reserves the right to reject any and all bids and to waive all formalities in bids, and to select, in its discretion, the bid determined to be in the District's best interest.

Exceptions to Bid/Quote Requirement.

- Sole Source Vendor selected by Board;
- State or Federal Pricing;

- Contracts with other governmental units;
- Legal, accounting and auditing services;
- Emergency purchases (as defined in this Policy); and
- Formal determination by the Board that a negotiated contract with a single vendor is in the best interest of the District.

Sole Source Purchases

Sole source purchases are appropriate when a product is available from only a single supplier. The purchaser shall make a written determination as to why the purchase should be sole source, and shall negotiate the price, terms and delivery of the procurement action. Examples of when sole source procurement may be appropriate are:

- Compatibility of equipment, accessories, replacement parts or other products or services to be purchased are of paramount consideration;
- Required and appropriate specifications can be met by only a single source; or a sole supplier's product or services are needed for trial or testing.

Emergency Purchases

An emergency condition is a situation that creates a threat to public health, welfare, or safety or a need to protect District assets. Potential causes include, but are not limited to, fires, floods, epidemics, riots, equipment failures, operational work stoppages, or other similar reasons proclaimed by the President of the Board. Upon such proclamation and a determination that the existence of such condition creates an immediate and serious need for goods or services which could not be met using normal procurement methods in a timely manner, the Board President may temporarily suspend this policy for thirty (30) days, or until reinstated by proper Board action, whichever comes first. The Board may endorse and extend any temporary suspension of this policy for any period of time deemed appropriate. All emergency purchases shall be reported to and ratified by the Board at the next regular meeting of the Board.

Prohibition Against Subdivision. No procurement transaction shall be subdivided for the purpose of circumventing the dollar values provided in this policy.

Conflict of Interest. Every District Board member and the District Manager is expressly prohibited from knowingly:

- Underestimating or exaggerating requirements to a prospective bidder for the purpose of influencing bids.
- Misrepresenting the quality of a bidder's products or services.
- Disclosing the content of competitive bids to other bidders.

Prior to signing a contract for goods or services, the preceding provisions of this policy shall be complied with. Contract administration begins with the signing of the contract and continues throughout the life of the contract. The complexity of the contract dictates the level of administration required. A one-time delivery of supplies requires less administration than a multi-year requirements contract for complex services. The purchaser and the user are jointly responsible for adequate contract administration. As a minimum, the following shall be monitored:

- Inspect and accept goods or services received.
- Assure that the procurement action is completed successfully and in accordance with the terms and conditions of the contract.
- Communicate with suppliers/contractors to ensure understanding of the requirements within the boundaries of the contract documents.
- Evaluate contractor performance against contract requirements.
- Review reports of completed work and test for actual completion of the work.
- Process payments and contract closeout documents in a timely manner.
- Maintain a documented procurement file of purchasing actions.