



ADAMS COUNTY
COLORADO

PURCHASING DIVISION

UNDERSTANDING THE PURCHASING PROCESS

A Quick Reference Guide

3rd Edition





Purpose

The purpose of this reference manual is to provide the Adams County Purchasing Policies and Procedures in a quick and easy-to-follow guidebook.

Our policies have been designed to:

- Comply with the State of Colorado, Colorado Revised Statutes Sections 30-11-103 and 109.
- Provide a comprehensive centralized program encompassing best practices and principles.
- Comply with Federal Acquisition Regulations, as required.
- Provide uniform procedures for the procurement of material, equipment, supplies, and services.
- Provide fair and open competition while ensuring best value for the county and its residents.



PURPOSE



Mission

As a team, our mission is to provide the highest quality customer service to meet and exceed expectations by using the most efficient and effective procurement methods.

We strive to continuously improve ourselves, our practices, and our procedures.

We will positively contribute, influence, and represent Adams County Government.

Values of Public Purchasing

Accountability

Taking ownership and being responsible to stakeholders for our actions; essential to preserve the public trust and protect public interest.

Ethics

Acting in a manner true to these values; essential to preserve the public trust.

Impartiality

Unbiased decision-making and action; essential to ensure fairness for the public good.

Professionalism

Upholding high standards of job performance and ethical behavior; essential to balance diverse public interest.

Service

Obligation to assist stakeholders; essential to support the public good.

Transparency

Easily accessible and understandable policies and processes; essential to demonstrate responsible use of public funds.

Adopted by NIGP, 2010

MISSION

Let Us Know What You Are Buying

Product, Service, or Both?

Will this require a new contract or purchase order?

What type?

Will this require a change to an existing contract or purchase order?

Help us understand your needs and requirements:

Do you have a detailed and approved requisition in JDE/RSS?

Do you have a good set of specifications?

Do you have a complete Scope of Work?



LET US KNOW
WHAT YOU ARE
BUYING

LET US KNOW
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Solicitation Thresholds

Under \$10,000

It is always recommended to obtain more than one quote, when feasible.

Purchase Options

- Purchase Order
- Contract

\$10,000 - \$50,000

Informal Solicitation (Policy #1050)

Requires the documented request (or attempted request) of a minimum of 3 quotes – which can be obtained by the end user or Purchasing.

Formal Solicitation (see below)

May also be performed if in the county's best interest.

Sole Source Justification (Policy #1080)

Required if a solicitation is not feasible.

Purchase Options

- Purchase Order
- Contract
- Task Order

Over \$50,000

Formal Solicitation

(Policies #1060 and #1070)

Requires public advertisement in our e-purchasing system.

Sole Source Justification

(Policy #1080)

Required if a solicitation is not feasible.

Purchase Options

- Purchase Order
- Contract
- Task Order



SOLICITATION
THRESHOLDS

Disaster or Emergency Purchases (Policy #1015)

In the event a disaster is declared by the Board of County Commissioners (BOCC), or their designee, elected officials and department directors are authorized to single source the purchase of goods or services where the well-being of residents, employees, or county property may be endangered if the purchase is delayed.



DISASTER OR
EMERGENCY
PURCHASES

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RFI – Request for Information: No award is made, only information gathered.

Pros: Great method of searching the market without making a commitment to buy.

Cons: Cannot request actual costs – only a price range for budgetary purposes.

RFQ – Request for Quote: Low bid award, no public opening.

Pros: Good tool for low dollar procurements with set specifications.

Cons: Low bid award – no negotiations allowed prior to contract award.

IFB – Invitation for Bid: Low bid award, with public bid opening.

Pros: Works well with good set of specifications and only evaluating costs.

Cons: Requires more time than RFQ. Low bid award – no negotiations allowed prior to contract award.

RFP – Request for Proposal: Best value award, evaluation team required.

Pros: Great tool with good Statement of Work when wanting to evaluate overall pre-established criteria – negotiations are allowed prior to contract award.

Cons: Requires more time than the IFB, along with the commitment of an evaluation team to determine the best value for Adams County.

cont.

SOQ – Submittal of Qualification (if required) – normally performed as part of a solicitation but may be performed as a separate request.

Pros: Assists in obtaining a shorter list of suppliers who are predetermined to be qualified for the project.

Cons: Must be very specific in identifying qualification criteria and adds time to the solicitation process.

Solicitation & Evaluation Timeline Estimation

After all the requirements under “Department Responsibilities” have been completed, Purchasing will need two weeks to process the documents and post the solicitation. Once posted, the “street time” is as follows:

RFI – 2-3 weeks

RFQ – 2-3 weeks

IFB – 4-6 weeks

RFP – 6-8 weeks

Pre-Qualifications: Add another 2 weeks to the above process.

Timelines are determined by the complexity of the project, which drives the amount of “street time,” or the time required for the suppliers to complete their documentation.

The time required for analysis or evaluation of submittals must also be considered, as well as BOCC approval preparation, if required. These timeframes are determined in collaboration with the project manager at the beginning of each project.

REMEMBER: Purchasing will assist in determining the best solicitation method for your particular needs.



Award Process

How are these solicitations awarded?

RFI – No award

RFQ – Lowest responsive and responsible quote

IFB – Lowest responsive and responsible bid

RFP – Best value based on technical criteria first, then overall cost

Note: Only the RFP process allows for negotiations prior to the award of a contract.

a) Purchasing enters into negotiations (RFP only)

- Purchasing leads process
- Project manager and subject matter expert contribute/participate in negotiations

b) Legal review, if required

- Purchasing will coordinate with County Attorney's Office (CAO)
- Purchasing will coordinate with supplier's legal department

c) Recommendation of award

- Purchasing completes and distributes for approval
- Purchasing and project manager build agenda item memo and resolution (>\$250k)
- Purchasing presents to BOCC

d) Intent to award

- Two business days posting requirement before Notice of Award
- Contract formation begins during this time period

e) Notice of award

- Purchasing posts to BidNet Direct
- Submits to awarded supplier

f) Contract finalization

- Purchasing submits contract to CAO for approval
- Purchasing submits to supplier for signature
- Purchasing submits to BOCC or County Manager for signature
- Purchasing distributes executed contract to supplier and purchasing files
- Purchasing advises project manager of contract execution

AWARD
PROCESS

Roles & Responsibilities

Department Responsibilities:

The end user/requester/project manager is required to provide Purchasing with the following:

- Budget information (estimated dollar amount)
- Copies of quotes and Certificate of Insurance, when obtained by end user when applicable
- The completed Statement of Work (SOW) or Specifications (Specs)
- The project schedule requirements
- A management approved Sole Source Justification (when required)



Post Contract Award Administration

Project Manager Responsibilities

- Familiarize yourself with the contract
- Ensure contract compliance
- Dispute resolution – requires early purchasing involvement to assist with:
 - Project manager and supplier meetings
 - Follow-up to meetings
 - Formal Notice to Cure
 - Mediation
 - Litigation
- Communication and documentation
- Advise and inform Purchasing of:
 - Performance issues
 - Safety issues
 - Subcontractor issues (e.g. lack of payment by General)
 - Change Order and/or amendment requirements

cont.

Changes/Amendments

- Field Changes/Work Change Directives
- Change Orders – Project manager may initiate; Purchasing will execute with supplier
- Amendments – Purchasing will create and execute with supplier



REMEMBER:

- Price Adjustments – contact Purchasing immediately for validation
- Purchasing requisition(s) may be required if increasing cost(s) are initiated by end user
- Project manager and end user to submit all back-up documentation to Purchasing



Contract Finalization

This is a joint effort between Purchasing and the project manager

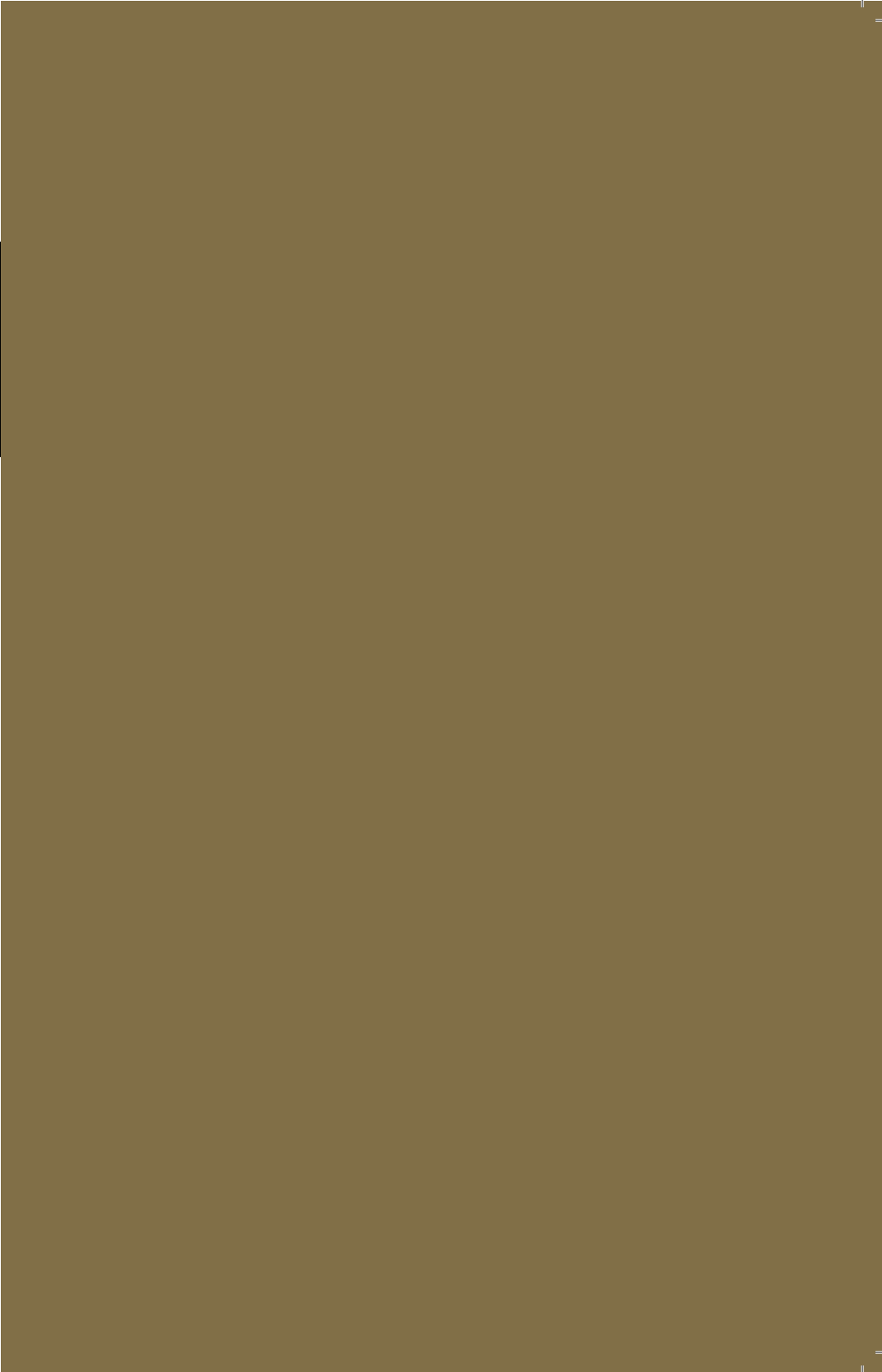
Construction Contract

- Notice of Final Settlement
- Certificate of Substantial Completion
- Lien Waivers – no forms; comes from supplier
- Consent of Surety – comes from supplier
- Application for Final Payment (Retainage), with Schedule of Values showing 100%

Non-Construction Contract

- All work completed and paid
- Acceptance (before final payment)
- Purchasing will advise of any renewal options

CONTRACT
FINALIZATION



Property Disposal

Capital Asset (Purchasing Policy #1110)

Any item or piece of equipment with an original purchase price of \$5,000 or more and a useful life of more than one year.

- Asset status is determined by Finance Department.

- End user/requester must complete Asset/Equipment Disposal Form (Purchasing Policy Appendix I):

 - Submit approved form to Purchasing.

 - Purchasing will verify that Finance asset meets disposal criteria.

- Purchasing* will contact auction agency and arrange for pick-up:

 - Transport charges come out of sales dollars.

 - If sale does not cover cost of transport, auction agency will bill county for difference.

**Fleet will arrange vehicle/equipment transport to auction agency.*

- Checks received from sale are sent to Purchasing for processing with Accounting.

Non-Capital

- End user/requester contacts purchasing manager for disposal requirement:

 - Submit list of items for disposal and time/date items will be available for pick-up.

- Purchasing will make the best effort to find another department that can use product/equipment.

- Purchasing will contact auction agency and arrange for pick-up:

 - Transport charges come out of sales dollars.

 - If sale does not cover cost of transport, auction agency will bill county for difference.

- Purchasing will advise end user of next available pick-up date.

- Checks received from sale are sent to Purchasing for processing with Accounting.

PROPERTY
DISPOSAL



Voucher Type Items

(A direct pay of invoices, where a PO may not be required)

The voucher process is set up for, but not limited to, the following types of items:

- Subscriptions
- Sponsorships
- Memberships
- Utility/Phone/Internet bills
- Tri-County Health appropriations
- Transport charges for auction items
- State departments, state-sanctioned organizations (e.g. North Metro Community Services, etc.)
- Intergovernmental transactions and agreements (distribution of tax dollars, contributions for multi-jurisdictional project tax dollars and grants, etc.)
- Legal settlements
- Medical/veterinary professionals
- Expert witnesses
- Individual reimbursements
- Lease/rent payments
- Insurance: medical/health care, dental, vision, worker's comp., professional liability, property, risk, etc.
- Colorado Dept. of Health, hospitals, medical clinics, etc.
- Postage
- Railroads

VOUCHER
TYPE ITEMS

Who's Who in Purchasing

Check out **myAdams** for the complete list of Purchasing contacts.

Also available on our website:

- Purchasing Policies & Procedures
- Forms
- JDE requisitioning self-service instructions
- Purchasing contact list
- Understanding the Process Guide



WHO'S WHO IN
PURCHASING

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PURCHASING

Definitions

Addendum/Addenda

A written change or revision to a solicitation (IFB, RFP, RFQ, etc).

Amendment

An agreed addition to, deletion from, correction, or modification of the contract/agreement.

Best and Final Offer (BAFO)

The final request submitted during the evaluation process that contains the supplier's most favorable terms for price and services or products to be delivered.

Bid

A bid which has been submitted in a sealed envelope to prevent dissemination of its contents before the deadline for the submission of all bids; usually required by the purchasing authority on major procurements over the formal bid limit to ensure fair competition among bidders.



BidNet Direct (formerly Rocky Mountain E-Purchasing System)

The online service into which Adams County posts bids, quotes, proposals, addendums, and awards, all in one centralized location. Located on the Web at: bidnetdirect.com. Suppliers can visit one centralized site to have instant access to bid opportunities throughout the region. BidNet Direct provides suppliers an opportunity to register for a small fee and be notified when a new solicitation or opportunity is available.

Blanket Order

(1) An agreement to purchase a given quantity of specific goods over a specified period of time, usually a year; **(2)** An agreement that establishes prices, terms, conditions, and the period covered, although no quantities are specified; shipments or services are to be made when and as required by the end user.

Change Order

A written alteration that is issued to modify a construction contract (primarily caused by unanticipated conditions encountered during construction and not covered by the drawings, plans, specs.)

**Formal Bid**

A bid which must be submitted in a sealed envelope and in conformance with a prescribed format to be opened in public at a specified time.

IFB (Invitation for Bid)

A formal solicitation in which competitive sealed bids are invited through a public notice procedure which requires that bids be received by a specified time and opened publicly. IFBs are evaluated solely in terms of bidder responsibility, responsiveness, and price.

Informal Bid

A competitive bid or price quotation for supplies or services that is conveyed by letter, email, telephone, or other means and does not require a sealed bid, public opening, or public reading of bids.

Informality

A minor or immaterial defect in a bid that is a matter of form rather than of substance; a variation of a bid or proposal from the exact requirements of the IFB or RFP, which can be corrected or waived without being prejudicial to other bidders, and has no material effect on the price, quality, quantity, or delivery schedule for the goods, services, or construction being procured.

cont.

Proposal

A business proposal is a written offer from a seller to a prospective buyer. Business proposals are often a key step in the complex sales process (when a buyer considers more than price in a purchase).

RFI (Request for Information)

A document that requests general information from prospective service providers, to gain industry/market information pertaining to their business capabilities and strengths.

RFP (Request for Proposal)

Used in negotiated procurements to communicate requirements to prospective contractors and to solicit proposals for the products and services. The proposals are then evaluated according to various selection criteria, which may include many factors as well as price.

RFQ (Request for Quote)

A solicitation document used to obtain price, delivery, and other information from prospective contractors.

RESPONSIVE and RESPONSIBLE BIDS

Responsive Bid

One that meets all the terms, conditions, and specifications of the bid. The bid must comply

with the content requirements of the bidding documents. In other words, the bidder must do what the bid documents say they must do, for example: pricing in a certain way, attending a mandatory pre-bid conference, or submitting a bid bond.

Examples where a bidder may be considered non-responsive include:

- Bid is late
- Bid is incomplete
- Discrepancies in the bid

Responsible Bid

One where the bidder has the overall capability to satisfactorily perform in accordance with the contract. A responsible bidder will be one that has the financial resources, employees, facilities, and references that will ensure it performs as stated.

Examples where a bidder may be considered not responsible include:

- Poor references
- Does not have proper business registration or licenses
- Banned from working with other agencies
- Not qualified as a foreign corporation
- Concerns about financial capability to perform

Specification

A description of the technical requirements for a material, product, or service that includes the criteria for determining that the requirements have been met. There are generally three types of specifications used in contracting: performance, function, and design.

Statement of Work (also known as the Scope of Work)

That portion of a contract describing the actual work to be done by means of specification or other minimum requirements,

quantities, performance date, and a statement of requisite quality.

Warranty

A promise or affirmation given by a seller to a buyer regarding the nature, usefulness, or condition of the goods or services furnished under a contract. Generally, a warranty's purpose is to delineate the rights and obligations for defective goods and services and to foster quality performance.



Frequently Asked Questions

Can a company register to receive electronic notifications of projects that are currently out for bid?

- Yes! BidNet Direct provides suppliers an opportunity to register, for a small fee, to be notified when a new solicitation or opportunity is available. If they do not wish to pay the fee, they will need to monitor the site themselves.

Can I purchase a good or service on a single/sole source basis?

- Single or sole source procurement is appropriate if the purchase meets the requirements of Purchasing Policy #1080. The justification form (Appendix F) must be completed and approved by Purchasing and management.

What if I have an emergency situation?

- Proceed with the purchase to fix the emergency situation and then follow up with Purchasing as soon as possible (see Policy #1015).

Where do I start when I have a procurement need?

- A Purchase Requisition must be completed and approved in the JDE/RSS System.
- If a solicitation is required, contact the appropriate purchasing/contracting agent immediately to help establish the process and schedule.

I'm having problems with a supplier, what do I do?

- Document the issues when they first occur and discuss with the supplier.
- Advise Purchasing of your concerns and provide your documentation.
- If the problem continues, Purchasing will ensure proper processes are followed, up to and including contract termination.

FREQUENTLY
ASKED
QUESTIONS





ADAMS COUNTY
COLORADO

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