

**CITY OF LEADVILLE, COLORADO
RESOLUTION NO. 8
SERIES OF 2022**

**A RESOLUTION APPROVING AMENDMENTS TO THE CITY'S
PURCHASING POLICY TO AUTHORIZE PURCHASING THRESHOLDS AND
PROCUREMENT RESPONSIBILITIES OF THE CITY ADMINISTRATOR**

WHEREAS, the City of Leadville ("City") has the authority to provide for the health, safety and welfare of the public pursuant to C.R.S. § 31-15-401 and its general police powers; and

WHEREAS, the City has the authority control the finances of the municipality and make purchases for municipal purposes pursuant to C.R.S. § 31-15-302; and

WHEREAS, the City previously adopted the City of Leadville Purchasing Policy ("Purchasing Policy") via Resolution No. 39, Series of 2020; and

WHEREAS, with the establishment of the position of City Administrator and the City's hiring of a City Administrator, City Council desires to amend the Purchasing Policy to incorporate appropriate purchasing thresholds and procurement responsibilities of the City Administrator; and

WHEREAS, after careful review of the amended Purchasing Policy, attached hereto as **Exhibit 1**, the City Council finds it is in the best interests of the City to approve and adopt the amended Purchasing Policy.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LEADVILLE, COLORADO, AS FOLLOWS:

Section 1. The City Council hereby: (a) approves and adopts the attached amended Purchasing Policy in substantially the form attached hereto as **Exhibit 1**; (b) authorizes the City Attorney to make such revisions to the Purchasing Policy to comply with Council's motion of approval or to make such non-substantive revisions as may be necessary; (c) directs all City staff and officials to review and adhere to the amended Purchasing Policy when procuring goods and services on behalf of the City; and (d) authorizes the amended Purchasing Policy to take effect on February 1, 2022.

Section 2. This Resolution shall be effective upon its adoption.

ADOPTED this 1st day of February 2022 by a vote of 7 in favor, 0 against, 0 abstaining, and 0 absent.

CITY OF LEADVILLE, COLORADO:



Greg Labbe, Mayor

ATTEST:

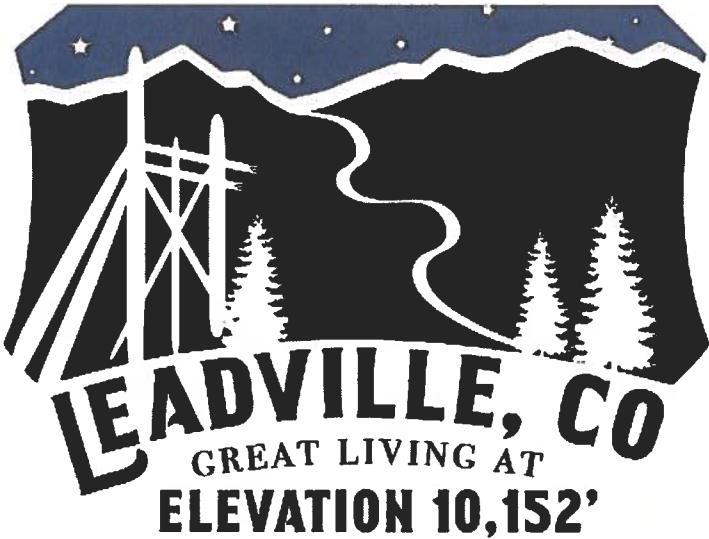


Deputy City Clerk

EXHIBIT 1
AMENDED PURCHASING POLICY

(see attached agreement)

City of Leadville Purchasing Policy





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A. PURPOSE AND EFFECTIVE DATE

The City of Leadville Purchasing Policy, adopted pursuant to Resolution No. 39, Series 2020 and amended by Resolution No. 8, Series of 2022 (“Policy”), is promulgated solely in support of the proper exercise of the City’s fiscal responsibilities, including administration of annually appropriated funds. This Policy recognizes that procurement decisions are administrative in nature, and the Policy is solely intended to guide the internal processes and procedures for administrative procurement actions. Nothing in this Policy shall create any third-party cause of action or right to enforce, including for any bidders or proposers. The intent of this Policy is to maximize the purchasing value of public funds. It is also intended to encourage effective economic competition while providing safeguards for maintaining a purchasing system with quality and integrity. Further, the policy will ensure cash is disbursed only for authorized expenditures after the receipt of acceptable goods or services is verified and that all expenditures are properly recorded in the accounting system and reported in financial reports.

The effective date of this Policy is: **February 1, 2022.**

B. APPLICABILITY

This Policy shall apply to the procurement of all goods, materials, equipment, construction and services required by the City. When any procurement involves the expenditure of federal or state funds, the procurement shall be conducted in accordance with any mandatory applicable federal or state laws or regulations.

C. RESPONSIBILITY

Expenditures are authorized by the City Council in the budget process. Individual purchases of goods or services included in the approved budget shall be authorized by the City Council, the City Administrator, or a duly authorized City employee in accordance with the purchasing thresholds set forth in Section E of this Policy. Prior to payment for goods and services, the purchaser must provide the Finance Department evidence of receipt and approval of the purchase.

The City Administrator, in cooperation with the Finance Director, are hereby designated as the monitoring agents for the acquisition of goods and services, in accordance with the budget approved by the City Council.

The City Administrator and department heads must manage their expenditures within the level of detail as approved by City Council. For example, if council approves total expenditures for a department, staff may allocate those dollars differently between line items. However, if City Council approves expenditures by type (personnel, supplies, purchased services, etc.), staff must manage dollars within those categories.

D. PURCHASING GUIDELINES

1. **Vendor relations.** City employees will conduct all purchasing functions in a professional manner and shall promote equal opportunity and fairness in all vendor relations.

2. **Local preference.** Purchasing goods and services from local vendors is desired because it stimulates the local economy and recognizes that our local vendors are valued members of our community. If factors such as quality, previous performance, and availability are equal among vendors, a vendor whose business is located in Leadville shall be awarded a contract if their quote or bid is within five percent (5%) of the low bid.
3. **Review criteria.** Bids and proposals shall be reviewed and evaluated based upon predetermined evaluation criteria.
4. **Purchase orders and contracts – when required.** A purchase order or contract is required for all purchases of goods and services of any kind with an expected expenditure of City funds of five thousand dollars (\$5,000) or more. Consult with the City Attorney to determine the appropriate form of contract to use or for legal review of purchase orders, as necessary. However, purchase orders or contracts may be advisable for purchases of less than five thousand dollars (\$5,000), as determined appropriate by City staff or the City Administrator.
5. **Terms.** The term “lowest responsible and responsive” bidder or proposer means the bidder or proposer who fully complied with all of the bid requirements; whose past performance, reputation, and financial capability is deemed acceptable; and who has offered the most advantageous pricing or cost benefit, based on the criteria stipulated in the bid documents. The terms “bidder” and “proposer” and the terms “bid” and “proposal” as used throughout this Policy are also intended to be synonymous.

E. AUTHORIZATION LEVELS AND REQUIRED PROCUREMENT PROCEDURES

The following are the authorization levels and procurement procedures for budgeted purchases:

Dollar Limit	Bids	Procedure	Authorization	P.O. or Contract Required
less than \$5,000	Lowest Reasonable Price or Other Factors	Small Purchase	Department Head	No (but may be advisable for certain purchases)
\$5,000-\$15,000	At Least 2 Bids, 3 Bids Preferable	Simplified Procurement	City Administrator	Yes
over \$15,000	At Least 3 Bids	Formal Procurement	City Council	Yes

Any requests to purchase goods or services of one thousand dollars (\$1,000) or greater that were not included in the approved budget must be approved by City Council prior to committing funds.

All donations and grant expenditures made by the City that are over five hundred dollars (\$500.00) must be approved by City Council. Such donations and grant expenditures below that amount may be approved by the City Administrator, in consultation with the Mayor, without Council approval.

F. GENERAL PURCHASING PROCEDURES

City employees or officials making purchases shall follow the procedures set forth below and complete purchases consistently with the authorization levels and procedures set forth in Section E:

1. **Small Purchase Procurement.** Such purchases require that the department head making the purchase obtain a reasonable and adequate number of price checks or quotes, which can be made by email, personal inspection, or discussions with vendors, to ensure the City receives a quality product or service and that the department head can determine the best value for the City. Department heads, in consultation with the City Administrator, shall document all quotes received and the reason for the final decision.
2. **Simplified Procurement.**
 - a. A reasonable and adequate number of written quotes shall be solicited by email, personal inspection, or discussions with vendors to ensure that the City receives a quality product or service and the best value. Reasonable efforts shall be made to obtain no fewer than three (3) quotes.
 - b. When seeking quotes, City staff must make it clear to vendors or service providers that a contract or purchase order will be required and must inform vendors of what insurance (types and amounts), if any, will be required under the contract or purchase order when awarded.
 - c. The lowest-priced bidder is usually awarded the contract or purchase order. However, price does not necessarily constitute the only consideration, and the bid may be awarded to a bidder who did not bid the lowest price where City staff can identify how value is added by the selection of a bid that is not the lowest price.
 - d. Written quotes must include specifications or a scope of work that are sufficiently detailed, as determined by City staff, for the particular product or service, performance standards, and structure of costs.
 - e. Evaluation of written quotes obtained through the Simplified Procurement Procedure shall include consideration of the factors set forth in the “Common evaluation criteria” under the Formal Procurement Procedures section of this Policy, as such factors are applicable to a given procurement.

3. **Formal Procurement.** Purchases subject to the Formal Procurement Procedures shall be completed using a public and competitive process, such as an Invitation for Bids (IFB) or a Request for Proposals (RFP), as appropriate. See Section G of this Policy for additional details on the Formal Procurement Procedures. In all circumstances where a bidder other than the lowest responsible and responsive bidder is chosen, the City shall document in writing why the chosen bidder was selected.

4. **Award of Contract.**

- a. The City shall issue a written notice of award to the successful proposer within a reasonable time following the date on which the City chooses the proposer. Failure of the successful proposer to enter into a contract with the City within a reasonable time shall be just cause for the City to annul the award and, if applicable, retain the bid surety of the successful proposer. For purposes of issuing a notice of award and entering into a contract with the City, a reasonable time is presumed to be no less than seven (7) calendar days unless otherwise specified in the IFB or RFP.
- b. If fewer than the required number of bids, proposals, or quotes are received, the City may consider seeking additional bids if time allows. The City may also award the contract or purchase order to a bidder even without the required number of bids if the City finds that the price(s) received are fair and reasonable and that other prospective bidders had a reasonable opportunity to respond.

5. **Contract Extensions and Price Increases.**

- a. Extensions. Extensions of existing contracts may be negotiated without adhering to the above applicable procurement processes when a contractor offers to extend the contract under the same conditions and at the same or lower price, and such extension is deemed to be in the best interests of the City by the City Administrator. Unless otherwise specified in the original contract, contract extensions are limited to two (2) one-year terms beyond the initial term and are subject to annual appropriation.
- b. Price Increases. The City Administrator, in consultation with the Finance Director, may authorize contract price increases for existing contracts that have not terminated provided that the City has budgeted for such additional cost and the total price increase for the contract does not exceed ten thousand dollars (\$10,000.00). Otherwise, the City Council must authorize the price increase.

6. **Electronic Bids.** The City may accept electronic bids or proposals and may require bids or proposals, including any bid surety, to be submitted electronically.

G. FORMAL PROCUREMENT PROCEDURES

1. **Common evaluation criteria.** In addition to the bid or proposal amount, additional factors shall be considered as an integral part of the bid evaluation process, and such factors shall be included in the IFB or RFP. Additional factors to consider include but are not limited to:

- a. The bidder's ability, capacity and skill to perform within the specified time limits;
- b. The bidder's experience, reputation, efficiency, judgment, and integrity;
- c. The quality, availability, and adaptability of the supplies or materials bid;
- d. Bidder's past performance;
- e. Sufficiency of bidder's financial resources to fulfill the contract;
- f. Bidder's ability to provide future maintenance and/or service;
- g. Other applicable factors as the City determines necessary or appropriate (such as compatibility with existing facilities, equipment or hardware); and
- h. If a bid other than the lowest bid is recommended, the requesting department must demonstrate how the higher bid serves the best interests of the City.

2. Contents and Requirements of Bid Documents.

- a. Services. All RFPs for services or goods and services shall include the following:
 - i. Scope of work;
 - ii. Form of contract that contractor will be required to sign;
 - iii. Where proposer can obtain RFP documents;
 - iv. Submittal deadline;
 - v. Insurance requirements;
 - vi. Any additional or special requirements specific to the services sought; and
 - vii. A statement informing proposers that the City reserves the right to reject any and all proposals and to accept the proposal deemed to be the lowest responsible and responsive proposal.
- b. Public Works/Construction. All IFBs issued by the City for public works and construction projects shall include the following:
 - i. Description/summary of the work to be completed;
 - ii. Specifications (see additional details below);
 - iii. Form of contract that contractor will be required to sign;

- iv. Where the bidder can obtain the IFB documents;
- v. Submittal deadline;
- vi. Date, time, and location of the bid opening, if applicable;
- vii. Bond requirements;
- viii. Insurance requirements;
- ix. General conditions;
- x. Bid and addenda acknowledgement form;
- xi. Delivery or completion date of project;
- xii. Any additional or special requirements specific to the project;
- xiii. A statement informing bidders that the City reserves the right to reject any and all bids and to accept the bid deemed to be the lowest responsible and responsive bid; and
- xiv. A statement informing bidders that all bids submitted become public information upon bid opening.

c. Specifications for Goods/Product Procurement.

- i. Performance Specifications. Performance specifications communicate what a product is to do, rather than how it is to be built. Such specifications shall be developed by City departments unless impractical or unnecessary to describe department requirements fully and accurately. Performance specifications may include the following:
 - (1) A general description;
 - (2) Required performance characteristics (minimum/maximum) to include speed, storage, production capacity, usage, ability to perform a specific function;
 - (3) Operational requirements, such as limitations on environment, water or air cooling, electrical requirements;
 - (4) Site preparation requirements for which the contractor shall be responsible, such as electricity or plumbing, or for which the City shall be responsible;
 - (5) Compatibility requirements with existing equipment or programs;
 - (6) Conversion requirements for maintaining a current equipment or system until switching to the new equipment or system;
 - (7) Installation requirements;

- (8) Delivery date;
 - (9) Maintenance requirements;
 - (10) Supplies and parts requirements;
 - (11) Quantity and method of pricing;
 - (12) Warranty; and
 - (13) Service location and response time.
- ii. Design Specifications. Design specifications employ dimensional and other physical requirements and concentrate on how a product is made, rather than on what it should do. Design specifications are normally prepared by architects and engineers for construction or custom manufactured products. Design specifications often include the following:
- (1) Dimensions, tolerances and specific manufacturing or construction processes;
 - (2) References to a manufacturer's brand name or model number; and
 - (3) Use of drawings and other detailed instructions to describe the product.
- d. Scope of Work. The following is an outline of the types of information that should be included in a scope of work or scope of services developed for procurement of independent contractors providing services *other than construction*:
- i. General Requirements. Describe, in general terms, the contractor's responsibility to provide a service or produce a final product.
 - ii. Specific Requirements. Next, address the specific tasks, sub-tasks, parameters and limitations which must be considered in producing the service or final project. Such factors as the following should be included:
 - (1) Details of work environment;
 - (2) Minimum or desired qualifications;
 - (3) Amount of service needed;
 - (4) Expected results;
 - (5) Location of service;
 - (6) Definition of service unit;
 - (7) Time limitations;

- (8) Travel regulations or restrictions;
 - (9) Special equipment required; and
 - (10) Other factors affecting working environment.
- iii. City-Provided Materials or Services. List any plans, reports, statistics, space, personnel or other City-provided items that must be used, or are available for use, by the contractor.
 - iv. Deliverables, Reports and Delivery Dates. Identify the specific delivery dates for all services and products the contractor must furnish.
 - v. Performance Measurements. Identify clear expectations for the contractor's performance and how and by what methods (quantitative or qualitative) performance shall be measured for compliance with the contract
3. **Changes to Bid Documents**. Once bid documents have been posted, no changes in the to the documents may be made unless an addendum is issued, clearly pointing out such changes. The addendum shall instruct each bidder responding to the IFB or RFP to indicate receipt in their response.
4. **Bond Requirements**. Bonds shall be executed on forms approved by the City Attorney. Normally, bonds are used only on critical or complex procurement actions, such as projects for completion of public works or public buildings. Bonds generally are not required for purchases of vehicles, equipment, or standard commercial goods and services, particularly when the goods are not altered or customized to unique City specifications. However, bonds may be required if deemed by the procuring department to be in the best interests of the City.
- a. Bid Bonds. This bond is intended to protect the City against a bidder's failure to honor its bid. The bid security is submitted as guarantee that the bid will be maintained in full force and effect for a period of thirty (30) calendar days after the opening of bids or as specified in the bid documents. If the bidder fails to provide the bid security with the bid when required by the bid documents, the bid shall be deemed non-responsive. The bid bond should be in an amount equal to at least five percent (5%) of the submitter's bid price.
 - b. Performance Bonds. This bond is intended to secure performance of the vendor's performance of its obligations. A performance bond, satisfactory to the City, may be required by the City for all public works contracts awarded in excess of \$50,000. Unless the City is legally required to accept a bond in lesser amount, the performance bond shall be in amount equal to one hundred percent (100%) of the price specified in the contract.
 - c. Payment Bonds. This bond is intended to secure payment of subcontractors and suppliers. A payment bond for the protection of all persons supplying labor and

material to the contractor or its subcontractors may be required by the City for all public works contracts awarded in excess of \$50,000. Unless the City is legally required to accept a bond in lesser amount, the payment bond shall be in an amount equal to at least one hundred percent (100%) of the price specified in the contract.

5. **Insurance Requirements.** Unless different amounts of coverage are determined appropriate during the development of the specifications, general conditions or final contract, the types and minimum amounts of insurance that should be required for a given purchase of goods or services, as applicable, are set forth below. Certain types of insurance may not be applicable to a particular contract. For questions regarding types of insurance to require, contact the City Attorney or CIRSA.

a. Services Contracts.

- i. Workers' Compensation Insurance in statutory limits.
- ii. Comprehensive General Liability Insurance: \$1,000,000/occurrence and \$2,000,000/aggregate.
- iii. Comprehensive Automobile Liability Insurance: \$1,000,000/occurrence.
- iv. Professional Liability Insurance: \$1,000,000/claim and annual aggregate.

b. Public Works/Construction Contracts.

- i. Workers' Compensation Insurance in statutory limits.
- ii. Comprehensive General Liability Insurance: \$1,000,000/occurrence and \$2,000,000/aggregate.
- iii. Comprehensive Automobile Liability Insurance: \$1,000,000/occurrence.
- iv. Umbrella/Excess Liability Insurance: \$2,000,000/aggregate.
- v. Owner's Liability Insurance: \$2,000,000/aggregate.

6. **Costs of Bid Submission.** The costs of producing, compiling and submitting any bid, proposal or other submittal as part of a competitive process shall at all times be borne by the submitting entity, and the City shall never reimburse or offset such costs for a prevailing or unsuccessful bidder.

7. **Cancellation or Rejection of Bids.**

- a. Cancellation. Any RFP or IFB may be cancelled and proposals or bids rejected in whole or in part when the department head, in consultation with the City Administrator, or the City Administrator deemssuch cancellation or rejection is in the best interest of the City. The City shall issue notice of cancellation to all proposers or bidders solicited.

- b. Rejection. Unless otherwise specified in the IFB or RFP, bids or proposals may be rejected when one or more of the following occur:
- i. Bids/proposals exceed the budgeted amount;
 - ii. There are no responsible or responsive bidders;
 - iii. The project is abandoned;
 - iv. The specifications, scope or terms and conditions must be revised; or
 - v. Irregularities exist in the procurement process as determined by the department head or the City Administrator.

H. EXEMPT PURCHASES

The following types of purchases are exempt from the purchasing procedures set forth in Section E, but such purchases shall still be subject to the authorization levels and purchasing classifications set forth in Section E of this Policy unless otherwise indicated herein.

1. Cooperative Purchases. Purchases made through cooperative purchasing arrangements which combine the requirements of two or more political entities to obtain the advantages of volume purchase, reduction in administrative expenses, or other public benefit.
2. Piggybacked Purchases. Purchases made by piggybacking on prices, bids and offers made to other units of government such as the State of Colorado or other counties, municipalities or special districts when agreeable by the vendor and when the department head, in consultation with the City Administrator, determines such approach is in the best interests of the City.
3. Government Contracts. Purchases from federal, state and local governments and political subdivisions of the state. All intergovernmental agreements require approval by City Council.
4. Sole Source. Purchases of supplies, products or services indispensable to the City for which there is only one source practicably or reasonably available that meets all specifications and purchase requirements of the City. Written justification for waiving the applicable purchasing process under this Policy shall be provided to the City Administrator and retained in the City's records according to the City's records retention schedule.
5. Professional Services. A competitive procurement process is preferred but not required to award contracts for professional services from certain professional, technical and expert service providers. Such service providers are those who possess a high degree of professional or specialized skill, such as accountants, public finance specialists, architects, engineers and attorneys. Such service providers must meet the minimum qualifications and standards for providing the service.

6. Emergency Purchases. The Mayor may authorize emergency purchases up to thirty thousand dollars (\$30,000.00) without prior Council approval. Emergency purchases may be made in situations where the public health, safety, or welfare are immediately endangered. This includes but is not limited to the immediate repair of property or vehicles as necessary under the emergency situations described in this paragraph. Any budgeted emergency purchases over fifteen thousand dollars (\$15,000.00) and all unbudgeted emergency purchases shall be ratified by City Council within thirty (30) days of the emergency purchase.
7. Real Property and Water Rights. Purchases of water rights or interests in real property, including leases, are exempt from the procurement processes set forth in this Policy but shall require approval by City Council.

I. CITY STAFF PROCUREMENT STEPS

Steps to complete a formal bid (unless otherwise stated, responsibility falls on requesting department):

1. **Develop specifications or scope of work.** Follow the guidelines for development of specifications or scope of work in Section G of this Policy. Upon finalization of the scope of work or specifications, determine any special requirements, such as bond requirements, insurance, or retainage. See bonding and insurance requirements listed in this Policy.
2. **Prepare Bid Documents.** Prepare all documents required for the IFB or RFP. Determine bond, insurance, contract requirements. If any bonds, insurance, or contracts are required or are waived, consult with the City Attorney. Consult with the City Attorney to determine appropriate contract forms to include with bid documents and for review of bid documents, as necessary.
3. **Distribute requests for bids.** Make available a complete set of bid documents to all qualified/identified/prospective bidders. The City may use the Rocky Mountain E-Purchasing System (BidNet) to publish and issue bid documents.
4. **Conduct bid opening.** For public works contracts subject to Formal Procurement Procedures, conduct the public bid opening per the identified bid opening date and in accordance with this Policy. The City may send a bid summary to all bidders in addition to or instead of conducting a public bid opening. All bids, quotes, or proposals should be retained for the minimum period required by the City's records retention schedule (generally, three years after contract is awarded).
5. **Evaluate bids.** Evaluate the bids to determine which is the lowest responsible and responsive bidder pursuant to the criteria set forth in the bid documents. Determine which bid serves the City's best interests. If the recommended bidder has not submitted the low bid, the procuring department must document in writing how the higher bid serves the best interests of the City.

6. **Prepare report and other documents for City Council.** Prepare a staff report for the City Council informing Council of the process used to secure bids, how many bids were received, the evaluation criteria set forth in the bid documents, City staff's recommendation for award and proposed City Council action based on the evaluation criteria. Complete draft documents for Council packet. Work with the City Attorney to complete a contract for award to the successful bidder or proposer and a resolution approving the contract award.
7. **Notification of award.** Upon City Council's award of the contract, notify successful bidder in writing. Notify other bidders or proposers of the results, as requested.
8. **Obtain required signatures.** Obtain signatures on all contracts and any additional required documents from the successful bidder or proposer. One original signed contract with all exhibits must be submitted to the City Clerk for central filing. It is recommended that City staff obtain a contractor's signature on the contract prior to presentation of the contract to City Council. Obtaining the contractor's signature before presentation to Council helps the City avoid objections or requested revisions from the contractor requiring multiple presentations of the contract to Council.

J. IMPORTANT CONSIDERATIONS

1. **Conflict of Interest.** Council members shall disclose at the earliest stage possible any personal or private interest in any purchase or award of contract proposed before the City Council. Council members may not vote on these matters and shall refrain from attempting to influence the other members of the City council in voting on the matter. No employee, public official, or contractor on a project involving procurement on the City's behalf, having official responsibility for procurement transactions, shall knowingly use confidential information related to the transaction for his or her personal or financial gain or the personal gain of others. Staff and Council members shall comply with applicable state law concerning conflict of interest and disclosure requirements.
2. **Tax-Exempt Status.** As a government municipality, the City is exempt from sales and use taxes. All personnel with purchasing authority should be made aware of this to ensure the City is not billed for taxes. A copy of the City's tax-exempt certificate may be obtained through the finance department.
3. **Purchasing Ethics.** All City employees and officials shall maintain ethical relationships with all vendors or suppliers of City goods and services. Acceptance or solicitation of entertainment, loans, gifts, or special consideration from vendors or suppliers for personal benefit by City personnel is prohibited. City employees must consider the appearance of fairness and propriety in their relationships with City vendors or suppliers. The following is a non-exhaustive list of examples of unacceptable actions related to City vendors or suppliers:

- a. Seeking or accepting directly from any person, partnership, corporation, or other business entity which is doing or seeking to do business with the City, service, cash or loans, vacations, or any gifts exceeding the value of \$65.00.
 - b. Knowingly over- or underestimating the requirements of this Policy or bids or failing to disclose the existing requirements in order to avoid doing business with a particular vendor or supplier.
 - c. Misrepresenting competitors' prices, quality, or services to obtain concessions from vendors or suppliers.
 - d. Having personal investments in any business entity which will create a substantial conflict between private interests and public duties when the City employee or official is involved in making a particular purchasing decision.
 - e. Inexpensive advertising items bearing the name of a vendor, such as pens, pencils, paper weights, cups, caps, candy, or calendars, are not considered articles of value or gifts in relation to this Policy.
4. **Credit Card Purchases.** Effective June 1, 2018 the City switched to an Elan Credit Cards and issued to a credit card to each department. Each card was issued in accordance with the department's needs and required the card holder(s) to agree to the following terms:
- a. Understand the cards are for approved and budgeted purchases only and agree not to charge personal purchases. Improper use of this card can be considered misappropriation of funds. This may result in disciplinary action up to and including termination of employment.
 - b. If the card(s) is (are) lost or stolen, card holder will immediately notify Elan by telephone. Further, card holder will confirm the telephone call by notifying the Finance Director at 719-486-5329.
 - c. Card holder will agree to surrender the card(s) immediately upon termination of employment of the named person on the card, whether for retirement, voluntary or involuntary reasons.
 - d. Card holder will receive a Monthly Reconciliation Statement (MRS) from Elan Financial Services (cutoff date is the 27th of the month), which will report all activity during the statement period. As a department head, card holders are responsible for all charges on the cards assigned to the department and will resolve any discrepancies by either contacting the supplier or Elan. Card holder is responsible to return the MRS with the appropriate receipts and pay authorization forms to the Finance Director no less than five business days (cutoff date) before the due date for payment. If there are repeated instances of exceeding the cutoff date, credit card privileges may be suspended.
 - e. The City of Leadville is tax exempt from Colorado sales and use tax. When making purchases card holder will use the tax-exempt number to avoid Colorado sales tax

(copy of the Certificate of Exemption attached, and copies are available from the Finance Director).

- f. Card holder will obtain approval of the Finance Director and City Administrator for any individual charge of five thousand dollars (\$5,000) or more. Department heads may request that individual staff members within their departments be issued a credit card on a case-by-case basis and may set a purchase limit for those employees that is lower than but not higher than the purchase limit set forth in this paragraph.
 - g. If charges are made that are determined to be improper or include sales tax, card holder may be required to reimburse the City through direct payment or payroll deduction.
 - h. Card holder will sign a memorandum for record that will be filed with the Finance Director acknowledging these terms and credit card use requirements.
5. **Surplus Property.** The City Administrator or the City Administrator's designee shall work with the appropriate staff person to oversee and administer the disposition of surplus inventory, including supplies and equipment that has been identified as no longer valuable for the City to use. It is the intent of this Policy to receive revenues from the sale of the inventory as the first priority. Donation to appropriate non-profits as second priority, and destruction as the last priority.
6. **Multi-Year Financial Obligations.** Article X of the Colorado Constitution prohibits municipalities from entering into direct or indirect multiple fiscal year financial obligations without prior voter approval or without adequate cash reserves pledged irrevocable and held for payments in all future years. Colorado courts have held that contracts which are expressly subject to annual appropriation or non-renewal are not obligations within the meaning of this provision. No multi-year financing obligations (for example, real property rentals, copier leases, vehicles) may be entered without the review and approval of the City Council via an adoption of a resolution and must be contingent upon annual appropriation of funds by City Council.
7. **Construction Contracts Over \$150,000.** For construction contracts of over \$150,000, the City is required by state law to publish notice of the final payment to the contractor in a newspaper of general circulation (i.e. the Herald Democrat) at least 10 days before the final payment is made (see C.R.S. § 24-91-103). For construction contracts of over \$150,000 funded in whole or in part by the federal government, consult with the City Attorney to determine whether this requirement still applies (see C.R.S. § 24-91-110).

K. AMENDMENTS

This Policy may be amended by resolution of City Council.

APPROVED BY:



Greg Labbe, Mayor

DATE:



ATTEST:



Deputy City Clerk

DATE: