

RESOLUTION NO. 2016-1

**A RESOLUTION ADOPTING THE TOWN OF HOLLY
PURCHASING POLICY**

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF HOLLY, COLORADO AS FOLLOWS:

Section 1. The Board of Trustees of the Town of Holly hereby adopts the Town of Holly Purchasing Policy, attached hereto as **Exhibit A**, and incorporated herein by this reference.

RESOLVED AND PASSED THIS 5th DAY OF OCTOBER, 2016.



Tony Garcia, Mayor

ATTEST:



Megan Jara, Clerk/Treasurer

EXHIBIT A

Purchasing Policy

This policy endeavors to ensure equitable and impartial treatment of all vendors seeking to do business with the Town of Holly. It is meant to supply the needs of the Town, encourage effective economic competition, and ensure the Town's dollars are spent in a wise and prudent manner. This is the written policy from which the Town will develop and administer its purchasing procedures in the case of unbudgeted goods and services, in excess of day to day operations.

Responsibility: The Town Administrator will assume the responsibility of purchasing agent for all departments, offices, and divisions of the Town.

A. Authority to Purchase: The following personnel, within the established guidelines and budgetary restraints, will assist the Town Administrator with purchasing decisions and will have the following authority:

1. The Town Administrator and the Finance Officer and assigned individuals, are hereby designated as the monitoring agents for acquisition of goods and services, in accordance with the approved budget.
2. Authority to purchase is delegated by the Town Board of Trustees to the Town Administrator in accordance with the intent of the annual budget. Further delegation of purchasing authority is as follows:
 - a. The Board of Trustees must approve any agreement, contractual obligation, change order, or specific project purchase, whether budgeted or not, greater than \$5,000.
 - b. The Town Administrator may approve non-budgeted purchases of goods or services and contractual agreements of \$2,000 to \$5,000 with review and approval by Resolution by the Board of Trustees.
 - c. Department heads may approve budgeted purchases of goods or services in amounts of \$1,000 to \$2,000 with prior review and approval by the Town Administrator.
 - d. Department heads and program managers may approve purchases of goods or services in amounts up to \$1,000.
 - e. All expenses incurred including day to day operation are subject to approval from the Finance Committee.
 - f. In case of an apparent emergency which requires immediate purchase of supplies, services or letting or change of construction contract, regardless of cost, the Town Administrator or his/her designee is empowered to authorize the using department head to procure such emergency needs by informal, open-market quotes as expeditiously as possible, at the lowest obtainable price. If the dollar cost of such purchase is greater than the Town Administrator's authority to purchase level, as defined by this Policy, a full report of the circumstances shall be given to the Board of Trustees at its next meeting.
3. No Town employee shall divide or attempt to divide what would normally be considered a single purchase for the sole purpose of evading the purchasing authority levels. Failure to comply will result in disciplinary action up to and including termination.

B. Baseline Standards for Purchasing: The following standards will apply when purchasing goods or services for the Town of Holly.

1. Procure for the Town the best economic advantage, while maintaining the highest quality of services and goods necessary to accomplish the needed functions of the requesting department and the Town.
2. When applicable, consolidate the purchasing function to ensure the following:
 - a. Maximum economic advantage;
 - b. Use of a centralized purchasing database;
 - c. Consistent and documented bidding procedures;
 - d. Use of hardcopy purchase orders where needed;
 - e. Tracking and follow-up of outstanding purchase orders;
 - f. Adequate receiving records;
 - g. Accurate matching of purchase orders, receiving records and invoices;
 - h. Receipt of all applicable federal and state tax exemptions on purchases and contracts.
3. Use of a formal bidding process for all works of public improvement in excess of \$5,000 and in accordance with Colorado Revised Statute 31-15-712, unless the Board of Trustees determines special circumstances exist that allow for a different procurement process.
4. Use either an informal (non-advertised) bid process including a minimum of three suppliers where possible, or a formal bid process, for all purchases of goods and services in excess of \$5,000.
5. For purchases of goods or services of at least \$1,000 but less than \$5,000, use either an informal bid process or contact a minimum of three suppliers where possible, for competitive pricing. In this case, the decision on which course of action to use will be made by the requesting departmental head, in conjunction with the Town Administrator, based on whichever is deemed to be in the best interest of the Town.
6. Require vendors/suppliers to fulfill all terms and conditions of purchase orders and contracts.
7. Follow all current purchasing procedures and make recommendations for revisions as necessary.
8. Purchase goods and services from local vendors/suppliers, when their services and goods are within an economically competitive and quality range, and will best serve the Town.
9. When the Town has a professional services agreement with a consultant, expenditures shall be consistent with the agreement.

C. Cooperative Purchasing: The Town of Holly may participate in joint bidding with other public agencies if it is deemed in the best interest of the Town. Cooperative purchases are exempt from internal bidding guidelines.