



CHAPTER 4: FINANCE

ARTICLE 2: PURCHASING AND PROCUREMENT

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See Ord. #01-1983 Adopted February 3, 1983
See Ord. #25-2006 Adopted March 12, 2007
See Ord. #40-2009 Adopted October 26, 2009

CHAPTER 4: FINANCE

ARTICLE 2: PURCHASING AND PROCUREMENT

4-2-1 Definitions

- (A) Award – Means the acceptance of a bid or proposal and may include the presentation of a proposed written agreement or performance of the contract.
- (B) Contract – Means any type of municipal agreement, regardless of what it may be called, for the procurement or disposal of supplies, services, or construction.
- (C) Contractor – Means any person having a contract with the Town of Grand Lake.
- (D) Low responsible bidder – Means any responsible bidder as defined in this Section who is the low bidder.
- (E) Procurement – Means any buying, purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction. Procurement includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration. Purchasing means the same as procurement.
- (F) Professional Services – Means those services within the scope of accounting, legal, architecture, engineering, land surveying, and landscape architecture as defined in the Colorado Revised Statutes.
- (G) Request for Qualifications (RFQ) – Means a request for qualifications, preceding a request for a bid, which identifies the skills and aspects that are important to the success of the project, and rates the prospective bidders on each skill and aspect. To wit, each prospective bidder will be asked to provide relevant experience as it relates to the project, may be interviewed, and will be rated independently by at least three (3) representatives designated by the Town. After averaging the scores, the representatives will rate the prospective bidders from most qualified to least qualified. The Town Manager or his designee may reject the least qualified prospective bidders and only solicit bids from those prospective bidders deemed qualified to appropriately complete the project
- (H) Resident bidder – Means a person or business that is authorized to transact business in Grand County and maintains a place of business in Grand County.
- (I) Responsible bidder – Means any person who has bid in compliance with the invitation to bid and within the requirements of the plan and specifications for a public contract, whose bid has been evaluated as acceptable per the guidelines in Municipal Code 4-2-



5, and has furnished bonds or their equivalent if required by law.

(J) Services – Means the furnishing of labor, time, or effort by a contractor not involving the delivery of a specific end product other than reports which are merely incidental to the required performance. This term does not include professional services.

(K) Supplies – Means all property, including but not limited to equipment, materials, and insurance. This term does not include land, worker’s compensation insurance, benefit insurance for employees, or the purchase of interest in land, water, or mineral rights.

4-2-2 Purchase Authorization

No purchase in excess of Five Hundred Dollars (\$500.00) shall be made without first securing a purchase order authorization from the Town Manager or his designee.

4-2-3 Standards

The provisions of this section are intended to enable the Town of Grand Lake to conduct purchasing in the most efficient manner possible. In connection with any particular contract for or in connection with the use of supplies commonly required by the Town of Grand Lake, the Board of Trustees or the Town Manager may compile a set of standards and specifications which will reasonably meet the needs of the Town of Grand Lake in respect to economy, strength, safety, sanitation and health.

4-2-4 Contracts

(A) Contracts for services or supplies in an amount exceeding Ten Thousand (\$10,000.00) dollars will be awarded by competitive sealed bidding to the low responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

1. Professional Services are exempt from this Section and must be contracted as stipulated in Municipal Code 4-2-6.
2. Upon any violation of the contract, the Board of Trustees shall have the right to terminate any contract without liability and recover a fair and reasonable portion of the contract fee.

(B) Contracts for services or supplies in amounts of Ten Thousand (\$10,000.00) dollars or less may be awarded by the Board of Trustees without a competitive bidding process based upon the following guidelines.

1. The Board of Trustees shall determine the fair market value for services or supplies prior to purchasing.
2. Services or supplies shall be purchased at the best value for the lowest cost to the Town of Grand Lake.
3. The Board of Trustees may put these services or supplies out for bid if that provides for a better value for the lowest cost to the Town of Grand Lake.

4-2-5 Bidding Procedure

(A) An invitation for bids shall be issued and shall include a purchase description and all



contractual terms and conditions applicable to the procurement.

- (B) The invitation for bids shall state the required procedures and criteria for awarding the contract.
- (C) Public notice of the invitation for bids shall be posted in a newspaper of general circulation at least fourteen (14) days prior to the opening of the bids.
- (D) Bids shall be opened publicly in the presence of one or more witnesses, and the bidder, amount of bid, and any other relevant information as specified by rules must be entered on record which shall be open to public inspection.
- (E) Bids shall be evaluated upon the requirements and criteria set forth in the invitation for bids to determine acceptability including inspection, testing, quality, workmanship, results of prior services, delivery, suitability, and resident bidder status.
- (F) In the event that all bids exceed the available funds, the Board of Trustees or their designee is authorized to negotiate an adjustment with the low responsible bidder in order to bring the bid within the amount of available funds. This negotiation may not reduce the functional specifications integral to the completion of the project.
- (G) All bids may be rejected for any reason.
- (H) The contract shall be awarded to the low responsible bidder with reasonable promptness by written notice.
- (I) At the discretion of the Town Manager, a Request for Qualifications (RFQ) can precede a formal bid. If a RFQ procedure is utilized, those contractors deemed qualified under the requirements of the RFQ will be “responsible bidders” as defined in Municipal Code 4-2-1(D). In this circumstance, only contractors deemed “responsible bidders” will be allowed to enter the bidding process in order to become the “low responsible bidder”.

4-2-6 Professional Services

- (A) The Town Manager or his designee shall issue a public notice in a newspaper of general circulation at least fourteen (14) days prior to the due date of applications for the professional service to be performed.
- (B) The Board of Trustees shall take into account professional licensure, professional competence, formal education, training, prior experience, technical merits of the offer, and the results of prior services with that person when determining the qualifications of the person.
- (C) The Board of Trustees or their designee shall negotiate a contract for professional services with the highest qualified person providing that service for compensation that is fair and reasonable.



1. The Board of Trustees or their designee shall take into consideration the estimated value of the service to be rendered and the scope, complexity, and professional nature thereof.
2. If the Board of Trustees or their designee is unable to negotiate a satisfactory contract with the person considered the highest qualified, the Board of Trustees or their designee shall undertake negotiations with the person considered the second most qualified.
3. If the Board of Trustees or their designee is unable to negotiate a satisfactory contract with the person considered the second most qualified, the Board of Trustees or their designee shall undertake negotiations with the person considered the third most qualified.

(D) Contracts for professional services shall have a maximum time limit of one (1) year.

1. Contracts may automatically renew in one (1) year increments for an additional two (2) years, after which time the Board of Trustees must submit public notice for the professional services as described above.

(E) Upon any violation of the contract, the Board of Trustees shall have the right to terminate any contract without liability and recover a fair and reasonable portion of the contract fee.

4-2-7 Open Market

(A) The Town Manager or his designee may purchase services or supplies without contract if the cost of the services or supplies does not exceed Fifteen Thousand (\$15,000.00) dollars, the purchase does not exceed the established budget, and the services or supplies are within one of the following categories:

1. Supplies of limited availability, to wit, supplies indispensable to the Town which are obtainable, for practical purposes, from only one single source.
2. Services or supplies which are required due to an emergency condition or situation. These services or supplies shall not have a monetary limitation due to the existence of an emergency condition or situation.
3. Supplies which are perishable, to wit, supplies which cannot be purchased by ordinary procedures by reason of imminent spoilage or decay.
4. Supplies required by reason of practicality, to wit, supplies required in respect to uniformity of equipment presently in operation, uniformity of decorative and semi-decorative fixtures and supplies, and in respect to preferences based on particular individual usage or professional advice.
5. Routine supplies, to wit, supplies such as road base, where due to the quantity necessitated, a large purchase is necessary, but routine in the normal operation of business.

(B) All purchases of services or supplies under this Section shall be purchased at the best value for the lowest cost to the Town of Grand Lake.

4-2-8 Delinquent Accounts



Any person, firm, corporation, or association furnishing or bidding on any services or supplies to the Town shall not be considered for or awarded any contracts unless the applicant (its constituents or members) are current with the Town and all Town enterprises for all fees, assessments, charges, taxes, or amount due of any type.

4-2-9 Financial Interest

No member of the Board of Trustees, Planning Commission, nor Board of Adjustment, nor any employee of the Town of Grand Lake shall have any personal beneficial interest either directly or indirectly in any purchase of services or supplies made by the Town nor in any firm, corporation, or association furnishing or bidding on any such purchase, except upon full disclosure of said interest to the Board of Trustees during the bidding process or prior to the purchase of said services or supplies.

4-2-10 Contractor's Bonds

Any person or persons, company or companies, firm or firms, corporation or corporations entering into a contract with the Town for the construction of any public building or the prosecution or completion of any public work, or for repairs upon any public building or public work, shall be required before commencing work, to execute, in addition to all bonds that may now or hereafter be required of them, a penal bond, with good and sufficient surety or sureties, to be approved by the Board of Trustees, conditioned that such contractor or contractors shall promptly make payments of all amounts lawfully due to all persons supplying or furnishing him or them, or his or their contractor or subcontractors with labor or materials, used or performed in the prosecution of the work provided for in such contract, and will indemnify the Town to the extent of any and all payments in connection with the carrying out of such contracts which said Town may be required to make under the law.