

Jefferson County Emergency Communications Authority (JCECA)

Best Business Practices

(rev 011811)

Fund Balance Reserve Guidelines

It is the goal JCECA to maintain fiscal year end fund balances as set forth in the following guidelines.

GENERAL FUND

Multi-Year Financial Obligation Reserves will be maintained for contractual and other multi-year financial obligations approved by the JCECA board of directors.

Unreserved Fund Balances of the General Fund will have a goal of 50% with a minimum requirement of 20% of anticipated general fund revenues. Budgetary policies will direct service level and program reductions to maintain the 20% minimum required unreserved fund balance. The components of the Unreserved Fund Balance are as follows:

- ***Contingency*** These funds allow the JCECA to authorize unanticipated expenditures and to take advantages of opportunities that may arise. Unanticipated expenditures include emergencies and other exposures as well as increases in costs.
- ***Economic Uncertainties Funds*** This is the portion of the fund balance that will be used to maintain service levels in the event an economic downturn causes revenue shortfalls. Budgetary policy will guide the use and restoration of these funds.

Budget Guidelines

Funding for the continued operation of E9-1-1 systems in the State of Colorado has been provided for by the ability to form Authorities for collection and dissemination of an Emergency Telephone Charge (ETC). It is the goal of JCECA to set and subsequently collect an ETC that provides sufficient funding to facilitate the continued of operation of E9-1-1 systems in Jefferson and Broomfield counties..

- The reserve goal should be maintained at levels deemed acceptable with the available revenues. Consideration will be given to the expansion of services/funding when the board established reserve goal is obtained. Temporary fee refunding and fee rate reduction will also be considered when service levels and reserves are considered satisfactory.
- The Authority may need to consider lowering service levels or take other necessary measures in the adopted budget before the dropping below the established reserves fund balance.
- Long-term financial forecast should also be considered. It may be necessary to curtail spending in any economic environment if future budget years may be jeopardized by current program expansions of other budgetary decisions.

Procurement and Purchasing Guidelines

The Jefferson County Emergency Communications Authority is funded by telephone surcharge fees. As such, the Authorities purchasing procedures are established to ensure that all procurements are completed in an appropriate manner.

I. Delegation of Approval Authority:

- A. The JCECA Board of Directors, through its Bylaws, shall approve all contractual obligations of the Authority. The Board has delegated general purchasing authority for routine supplies, services, and expenditures to the Executive Director.
- B. The following delegation of authority applies to the Executive Director and should be followed for the procurement of goods and services in compliance with the procedures set forth herein.

\$0 - \$5,000	Small Equipment Purchases
\$5,001 - \$25,000	Executive Director
\$25,000- +	Board of Directors

II. Expenditure Request:

- A. An Expenditure Request shall be used for all procurement of goods and non-professional services. In any case, an Expenditure Request will be issued for any purchase over \$500. All Expenditure Requests will be forwarded to the Executive Director for the generation of a Purchase Order or check.
- B. The requestor is the individual who has identified a specific purchase need. It is the requestor's responsibility to assure that the proper approval, based on the Delegation of Approval Authority, is obtained prior to forwarding an Expenditure Request for consideration.

III. Purchase Order:

- A. A Purchase Order will be generated and either forwarded to the supplier or returned to the originator, based on the originator's requirements. Purchase Orders are required for the procurement of all products and services over \$500 except in cases where the suppliers will not accept a Purchase Order and requires payment via a check.
- B. Exceptions to the requirement for a Purchase Order are ongoing expenditures such as utilities, other contractual obligations and professional consultants or other expenditures pre-approved and directed by the Board of Directors to be paid.
- C. Generation of an Expenditure Request does not constitute the authority to place an order prior to a check or purchase order being produced. The concurrence of Purchasing shall be obtained for any rush or emergency order placements.
- D. Purchase Order Changes: Changes in the quantity, price, or vendor to an issued Purchase Order require that a new Expenditure Request be generated with the appropriate changes and clearly marked as "Change to P.O. # xxx.
- E. Open Purchase Orders: Open Purchase Orders may be requested on the Expenditure Request form for ongoing purchases. Open Purchase Orders will generally not be established for more than a one-year period. The Open Purchase Order is intended to reduce administrative time and costs and shall only be used to cover routine purchases from

a frequently used supplier for items of minimal cost or essential items purchased on a routine and periodic basis.

IV. Check Request:

- A. The issuance of a check may be requested on the Expenditure Request form. Checks will be issued for the purchase of goods and services in cases where the supplier will not accept a Purchase Order and for other requirements such as subscriptions, dues, personal reimbursement, and travel expenses.

V. Receipt Process:

- A. The Executive Director will not authorize payment to the supplier until proof of receipt has been received. If a packing slip or shipping documents are not available, a memo indicating that the product has been received or services completed will be prepared by the individual authorizing the procurement.
- B. Agencies seeking reimbursement for goods and/or services approved within a Purchase Request must provide documentation to the Executive Director evidencing the expenditure of agency funds before a reimbursement check will be issued to the agency.

VI. Purchase Methods:

- A. The dollar value of the purchase transaction generally determines the method used to make the purchase.

\$1 - \$500	No formal quote required
\$500 - \$2,500	If the product or service can be obtained from several sources, it is expected that the buyer will comparison shop and attempt to obtain the goods or services at the best competitive price.
\$2,500 - \$25,000	The buyer is to obtain a minimum of two informal written or electronically submitted quotes. The buyer will submit an expenditure request to the Executive director that includes copies of the quotes and a brief narrative explaining which vendor the buyer has selected and the reasoning for the choice.
\$25,000 +	Formal written bids are required following the process established.

- B. The Executive Director will be involved and assist with all formal bids over \$25,000. Executive Director will also maintain a master file of all bids and awards.
- C. The following items are exempted from competitive bidding:
 1. Purchases made cooperatively with other units of government such as the State of Colorado and governmental cooperative groups utilizing extended awards from other governmental agencies.
 2. Services of individuals possessing a high degree of professional skill who have exclusive knowledge.
 3. Purchases from federal, state or other local government units.
 4. Supplies, products or services indispensable to the individual Agencies, which are obtainable, only from a single or sole source. Purchasing agents are authorized to

negotiate with a single or sole source regarding price, delivery, and other relevant factors.

5. **Sole/Single Source:** Some common reasons for sole brand/model justifications are:
 - a. The Agency and or Authority want to standardize on a particular brand/model because it best suits operational needs for stated reasons. (Detailed research must be included.) The standardization process can achieve savings by reducing supply/parts inventory and training efforts.
 - b. The Agencies requires supplies/parts compatible with existing equipment.
 - c. A specific brand/model is required to maintain warranty coverage on associated equipment.

Some common reasons for sole source justification are:

- a. The vendor is the only supplier located near our facilities and staff makes frequent trips to the vendor's location to pick up repair parts.
- b. The vendor maintains a piece of equipment critical to operations and is the only vendor in the immediate area.
- c. Another agency processed a competitive proposal and recommended the professional service firm with which we wish to contract.
- d. The firm is uniquely qualified through previous involvement on the project.
- e. The vendor offers goods that are proprietary to that vendor.

VII. Capital Construction Projects:

- A. If possible, capital projects must have a minimum of three competitive bids. For projects over \$25,000, the Executive Director will arrange presentations to and approval from the Board of Directors.
- B. The Agency project manager will ensure that the project is completed in a satisfactory manner and will provide payment directions, with supporting documentation, to the office of the Executive Director for payment to the supplier.

VIII. Establishing Business Accounts:

- A. Usual business practice requires that an account be opened with a business the JCECA wishes to establish credit with for the purpose of purchasing goods or services on a non-cash basis. These accounts, depending on the company, may be opened as follows:
 - a. General commercial accounts that can only be used with a Purchase Order or Purchase Order number. This type of account offers maximum control, as a Purchase Order number is required prior to placing an order with the supplier.
 - b. Credit accounts which allow persons authorized by JCECA to make a purchases.

IX. Emergency Requirements:

- A. Goods or services required in an emergency situation may be ordered immediately, given approval by the Executive Director and One Board Member or in the absence of the Executive Director, Two Board Members. An Expenditure Request will be submitted to the JCECA Board of Directors as soon as practicable after the goods and/or services are ordered. A memo should be attached explaining the emergency need. The definition of "emergency" is "the emergency procurement of supplies, services, or construction items when there exists a threat to the public or Agency health, welfare, or safety; (i.e. prohibits a normal emergency response or if left alone would result in more damage being done to

Communications Agency property); provided that such an emergency procurement shall be made with such competition as is practicable under the circumstances."

X. Professional Conduct:

- A. The Jefferson County Emergency Communication Authority Mission Philosophy is to strive to create working relationship with its suppliers; open and fair in its dealings, reflecting trust and respect; and wants its suppliers to feel a partnership in its mission and goals.
- B. Individuals shall avoid situations where personal interests or those of family members conflict, or appear to conflict, with Authority interests. Conflicts exist if improper gain or advantage either to the individual, family members or others outside
- C. Other than small "marketing tokens", the Authority prohibits its members receiving gifts, products, or other incentives from suppliers.
- D. All purchases shall be in conformity with all statutory requirements set forth in Sec. 24-18-101, et seq., CRS, and all applicable Authority policies regarding conflicts of interest and standards of conduct.

XI. Definition of Terms:

- A. **Formal Bid:** A written sealed proposal from a supplier generally in response to a Request for Quote (RFQ) or Request for Proposal (RFP).
- B. **Informal Quote:** A procurement of at least \$2,500. but less than \$25,000. must obtain a minimum of two written quotes. These are to be submitted with the Purchase Order Request.
- C. **Open Purchase Order:** A purchase order assigned to one supplier to cover purchases made with that supplier over a specific period of time.
- D. **Packing Slip:** A document accompanying shipments, which indicates items, shipped as well as backorders. It is not an invoice and payments cannot be made with it.
- E. **Purchase Order:** A binding agreement between the Authority and supplier to purchase goods or services.
- F. **Requestor:** The individual who has determined a need for the Authority to obtain goods or services.
- G. **Expenditure Request:** The Expenditure Request, with the proper approval, is the authorizing document used by the Authority for the purchase of goods and services.

Asset Inventory Guidelines

Equipment valued at \$5,000 or greater shall become a General Fixed Asset of the receiving agency after purchase by JCECA or grant funding or reimbursement to the agency by JCECA. Agencies receiving General Fixed Asset equipment from JCECA shall maintain an inventory of said equipment. Such inventory shall be subject to review by the Executive Director.

Surplus Categories:

Obsolete – Material that is of no use because its useful life is over and it is not fit for its original purpose.

Excess – Material that has no useful purpose for use, but may have some residual value.

Disposal – specific agency policy will be used for disposal of assets.