
ARTICLE 6 – CONTRACTS AND REQUIRED TERMS

Every procurement action results in a legal contract between the County and the supplier, regardless of purchase type or amount. This Article 6 discusses the appropriate contracts and terms to be used.

6.1 REQUIRED CONTRACT FORMS

All County purchases in amounts greater than \$10,000 shall utilize the standard contract forms written or approved by the County Attorney's Office. Revisions or additions to these approved form, including the incorporation of competing forms or terms requested by a potential vendor must be submitted to the Contracts Manager for review and handling in accordance with the directives of the County Attorney.

6.2 REQUIRED CONTRACT TERMS

The County Attorney shall determine all required contract terms and conditions in accordance with applicable law and in furtherance of the best interests of the County. In addition, the County Attorney shall define the authority given to the Contracts Manager to alter or waive specific contract terms.

6.3 BID SECURITY

Bid security is submitted as a guaranty that an offer will be maintained in full force and effect for a period of not less than sixty (60) days after opening of the offers or as specified in the solicitation.

1. **Requirement for Bid Security is Discretionary.** Bid security may be required for any Standard Purchase procurement at the discretion of the Chief Procurement Officer in an amount not to exceed 5% of the contract amount.
2. **Rejection of Proposals for Noncompliance.** If a bidder fails to accompany the offer with the required bid security, the offer shall be rejected as non-responsive.
3. **Withdrawal of Proposals.** After proposals are opened they shall be irrevocable for the period specified in the Request for Proposals. If a proposer is permitted to withdraw its proposal before award, no action shall be held against the proposer or the bid security.
4. **Acceptable Bid Security.** Acceptable Bid Security shall be limited to:
 - a. A one-time bid bond underwritten by a company licensed to issue bonds in the State of Colorado;
 - b. A bank cashier's check made payable to Garfield County;
 - c. A bank certified check made payable to Garfield County; and

- d. An irrevocable letter of credit in a form acceptable to the County.

6.4 CONTRACT PERFORMANCE AND PAYMENT BONDS

1. **Bond Requirements.** A separate Performance Bond, Labor and Materials Payment Bond, and Maintenance Bond or other legally acceptable surety may be required for all construction, labor and public improvement contracts in excess of \$50,000, each in the amount of 100% of the contract price.
2. **Discretionary Bonds.** Performance, Payments and Material, and Maintenance Bonds may be required on contracts less than \$50,000 if the Chief Procurement Officer determines it to be in the best interest of the County.
3. **Delivery and Satisfaction.** The contractor shall deliver these bond(s) to the Chief Procurement Officer within ten (10) days after receipt of the Notice of Award, or at the same time the contract is executed. If the contractor fails to deliver the required bond(s) the contractor's bid or contract may be rejected or terminated for default.
4. **Bond Form.** The bond(s) must be submitted on bond form(s) executed by a surety company authorized to do business in the State of Colorado.
5. **Waiver.** Performance bonds may be waived and cash accepted and deposited into an escrow account with the County for a designated period of time if the terms of the surety alternative are acceptable to both parties of the contract. A percentage of the total amount of the contract defined to cover all costs associated with a performance breach may be an acceptable condition of an alternate surety.
6. **Exceptions.** If it is deemed to be in the County's best interest and the actual contract price is less than \$50,000, the Contracts Manager or Chief Procurement Officer may waive or reduce the dollar amounts of any bond. However, if the price of any construction, labor, or public improvement contract for which the Contract Manager or Chief Procurement Officer has reduced or waived bonds should reach a value of \$50,000 or more, through change orders or otherwise, then the contractor may be required to provide separate bonds each in the amount of 100% of the new contract price, and additional insurance, as determined by the Contracts Manager or Chief Procurement Officer.
7. **Additional Bonding.** If at any time during the continuance of a contract, a surety on the contractor's bond or bonds becomes irresponsible, the County shall have the right to require additional and sufficient sureties, which the contractor shall furnish with ten (10) calendar days after written notice to do so. Such surety bond shall cover the entire contract amount regardless of changes in the total contract amount.
8. **Certified Copies of Bonds.** Any person may request and obtain from the County a certified copy of a bond upon payment of the cost of reproduction of the bond and postage, if any, in accordance with the County's Open Records Policy. A certified copy of a bond shall be prima facie evidence of the contents, execution, and delivery of the original.

6.5 CONTRACT AMENDMENTS AND CHANGE ORDERS

Any change to a contract that results in a change in price shall be processed through the Procurement Department and shall include all requisite documentation and authorizations. Change orders shall not be used to circumvent the contracting authority delegated in Article 2 or the purchase standards defined in Article 3.

1. **Changes to Simplified Purchase Contracts.** Contract Amendments or Contract Change Orders (collectively, "Contract Changes") that increase the cost of a Simplified Purchase contract to an amount greater than \$25,000 must have approval from the BOCC. Contract Changes to Simplified Purchase contracts that do not increase the cost of the contract to more than \$25,000 must be approved by a Department Head or Elected Official.
2. **Changes to Standard Purchase Contracts.**
 - a. Contract Changes to Standard Purchase contracts that do not increase the original contract cost by more than 25% may be approved by the Department Head or Elected Official.
 - b. Contract Changes to Standard Purchase contracts, whether individually or in combination with prior changes, increase the original contract price by more than 25%, the proposed Contract Change shall be brought to a committee for review and approval. The committee shall be comprised of the County Manager, Chief Procurement Officer, Chief Finance Administrator, and requesting Department Head or Elected Official. If the Committee recommends approval of the change, the item shall be placed on the consent agenda of the next regularly scheduled BOCC Board Meeting.
 - c. Contract Changes to Standard Purchase contracts, whether on individually or in combination with prior changes, increase the original contract price by more than 50%, a review of the project and the proposed Contract Change shall be conducted at the next regularly scheduled BOCC Board Meeting.
3. **BOCC Quarterly Report.** The Chief Procurement Officer shall maintain a list of all Contract Changes to Standard Purchase contracts and changes that cause a Simplified Purchase contract to exceed the \$25,000 limit and shall provide an updated list of such changes in a quarterly report to the BOCC.

6.6 CONTRACT ADMINISTRATION

A County Representative shall be identified on all Standard Purchase and Simplified Purchase contracts. The County Representative is responsible for ensuring that all performance standards are met, for approving all invoices, and for coordinating any change orders or amendments with the Contracts Manager.