

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION
Office of Policy and Government Relations
4201 East Arkansas Avenue, Room 275
Denver, Colorado 80222
(303) 757-9772



To: Transportation Commission
From: Herman Stockinger
Re: Summary of Policy Directive 3.0 Procurement Policy
Date: March 21, 2013

Executive Summary: This Policy Directive updates existing Policy Directive 3.0 “Procurement Policy” as one component of an effort over the last four years to bring CDOT into compliance with the State Fiscal Rules and State Controller’s Policy, and to respond to a State Controller audit in 2008-2009 and an internal audit in 2012.

1. Action Requested: Approval of Policy Directive 3.0
2. Documents Included in this Agenda Submission
 - A. Memorandum from Herman Stockinger
 - B. Proposed Policy Directive 3.0
 - C. Proposed Resolution
3. Name of Policy Directive: PO 3.0 “Procurement Policy”
4. Date of Document this Policy Directive Supersedes, if Any: This Policy Directive updates existing Policy Directive 3.0 Procurement Policy effective January 1, 2007.
5. Rationale for this Policy Directive: This Policy Directive is one part of a multi-faceted plan over the last four years to improve procurement and contracting processes at CDOT. It responds to the Department of Personnel/State Controller audit in 2008-2009 which contained findings that CDOT had an extraordinarily high number of procurement violations. While the number of violations has lessened, there are still recurring violations, as indicated by the 2012 internal audit of one CDOT Region which revealed continued procurement violations.
6. Individuals/Entities Impacted by Policy Directive: This Policy Directive applies to all CDOT personnel and their supervisors who are authorized to procure goods and services on behalf of the Department.
7. Policy Directive will be Implemented by: Office of Procurement and Contract Services
8. Fiscal Impact to Implementation: beneficial only
9. Reviewed by OAG: no need was seen for a review

COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE <input type="checkbox"/> PROCEDURAL DIRECTIVE	
Subject PROCUREMENT POLICY			Number 3.0
Effective	Supersedes 01/01/07	Originating office Office of Procurement and Contract Services	

I. PURPOSE

To establish principles and standards necessary to govern the proper conduct of the procurement function at the Colorado Department of Transportation.

II. AUTHORITY

Colorado Transportation Commission, § 43-1-106, , C.R.S.

Director of Procurement and Contract Services, pursuant to the agreement regarding delegation of purchasing authority from CDOT Executive Director, DPA Executive Director, and State Controller

State Fiscal Rules, including Rules 2-2, 2-3, 2-4, and 2-7

State Controller Policy “Statutory Violations”

§ 24-30-202, C.R.S.

§ 24-109-404, C.R.S.

III. APPLICABILITY

This Policy Directive applies to all CDOT personnel and their supervisors who are authorized to procure goods and services on behalf of the Department.

IV. POLICY

The Department shall establish high principles and standards to govern the conduct of the procurement function consistent with nationally advocated practices. It is the Department’s intent to strictly adhere to state requirements regarding procurement in order to act as responsible stewards of taxpayer dollars. This Policy Directive demonstrates the Transportation Commission’s support of the written processes set forth in Procedural Directive 3.1, “Procurement Violations Process” and the CDOT Procurement Manual and adherence to the State Fiscal Rules, the State Controller’s Policy on statutory violations and the Procurement Code.

V. IMPLEMENTATION PLAN

1. Within one week of the effective date, the Office of Procurement and Contract Services shall provide a copy of this Policy Directive to all employees and supervisors who are authorized to procure goods and services on behalf of the Department.
2. The Office of Procurement and Contract Services will work with the Office of Policy and Government Relations to post this Policy Directive on the CDOT website and on Public Announcements within one week

of adoption.

3. Office of Procurement and Contract Services shall continually update and maintain the CDOT Procurement Manual and make the Manual available on the CDOT website.

This Policy Directive will be reviewed on or before February 2017.

Transportation Commission Secretary

Date of Approval

Resolution # TC-

Adoption of Policy Directive 3.0 “Procurement Policy”

WHEREAS, pursuant to § 43-1-106(8)(a), C.R.S., the Colorado Transportation Commission is charged with formulating general policy with respect to the management, construction, and maintenance of public highways and other transportation systems in the state; and

WHEREAS, the Transportation Commission adopted the current Procurement Policy effective January 1, 2007; and

WHEREAS, the Department, in response to an audit by the Department of Personnel/State Controller in 2008-2009 commenced a revision of its practices and procedures; and

WHEREAS, the Office of Procurement and Contract Services has focused its methods of improvement on the findings of a 2012 internal audit; and

WHEREAS, in response to both the State Controller audit and the internal audit, the Department has developed a CDOT Procurement Manual and a new Procedural Directive 3.1 “Procurement Violations Process” providing clear guidance to purchasing agents and; and

WHEREAS, the Department, in taking these measures, establishes principles and standards necessary to govern the proper conduct of the procurement function at the Colorado Department of Transportation; and

WHEREAS, the Transportation Commission supports the Department’s efforts to strictly adhere to the State Fiscal Rules, the State Controller’s Policy on statutory violations and the State Procurement Code.

NOW THEREFORE BE IT RESOLVED, the Commission herein approves Policy Directive 3.0 “Procurement Policy.”