

City of Commerce City Procurement Policy

ARTICLE I – INTRODUCTION

A. Purpose and Goals

The purpose of this Policy is to establish standards for the City's procurement process in a manner that reflects the City Values of Teamwork, Communication, Respect, Honesty/Integrity, Community, Competence/Knowledge, Achievement and Creativity/Innovation, as well as the following City Council goals as stewards of the public trust:

1. Obtain the Best Value
2. Maintain Highest Quality
3. Achieve Peak Results
4. Provide for an Open Process
5. Ensure Effectiveness and Efficiency through Streamlined Processes
6. Retain Adequate Controls

As such, this Policy incorporates the following guiding principles into the procurement process:

- a. Accountability
- b. Competitiveness
- c. Ethics
- d. Local Preferences
- e. Sustainability
- f. Limitations of authority

B. Application and Scope

Except as expressly provided herein, this Procurement Policy ("Policy") applies to all expenditures, including expenditures for capital improvements, of public funds irrespective of funding source, including federal and state assistance and bond proceeds. No procurement shall be made on behalf of the City except in accordance with this Policy, the Commerce City Revised Municipal Code, and the home rule charter of the City of Commerce City.

C. Procurement Decisions – General Policy

All procurements shall be made from/with the vendor who provides the best value to the City based on all applicable criteria and the requirements of this Policy. "Best value" is determined by the combination of the priorities set for the particular procurement and this Policy, including, but not limited to price, quality, customer service and competition. Notwithstanding the foregoing, the City shall not be obligated to make any procurement where doing so is determined not to be in the best interest of the City.

D. Procurement Procedures

The City Manager shall create, approve and maintain administrative rules in compliance with the provisions of this Policy for the implementation and day-to-day administration of the City's procurement needs.

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ARTICLE II – PROCUREMENT THRESHOLDS; SOLICITATION REQUIREMENTS

TABLE I - SUMMARY		
Expenditure Amount	Solicitation Required	Authorization Required
Up to \$5,000	Quotes Recommended	Division Manager or above
\$5,000.01 - \$50,000	A Minimum of Three (3) Quotes (if available)	Department Director or above
\$50,000.01 - \$250,000	Formal Solicitation Required	City Manager
Over \$250,000	Formal Solicitation Required	City Council

A. Delegation/Designation of Authorization Authority

Department Directors may delegate authorization authority only for procurements under \$15,000, and Division Managers may delegate authorization authority only for procurements under \$5,000. Any such delegation shall be submitted to the Finance Department in writing. Except as otherwise set forth herein, unless authorization authority has been formally delegated, no employee shall sign or approve a procurement on behalf of any other employee.

B. Solicitation of Quotes (Informal Solicitation)

All procurements involving expenditures from \$5,000.00 to \$50,000.00 shall be supported by quotes obtained from at least three (3) vendors whenever reasonably possible.

C. Formal Solicitations

All procurements of materials, supplies, equipment and services with a value in excess of \$50,000.00 shall be subject to a formal solicitation process, which shall include reasonable notice to potential respondents.

D. Frequency of Solicitation

Procurements obtained either by solicitation of quotes or through the formal solicitation process should be re-solicited at least once every three (3) years if possible; but if not possible, all such procurements must nevertheless be re-solicited at least once every five (5) years, without exception.

E. Sole Source

When the proposed procurement of goods or services cannot be achieved through competitive solicitation, the nature of the relevant circumstances that prohibit competition shall be documented in a written justification to the City Manager. If the amount of an approved sole-source procurement exceeds \$50,000.00, the City Manager shall notify the City Council within a reasonable time of approval.

F. Review and Approval – City Attorney and City Clerk

With the exception of contracts involving expenditures of less than \$2,500 using a form previously approved by the City Attorney's Office, the City Attorney's Office must, in accordance with the City's

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home rule charter, review and approve as to form all written contracts prior to execution, and the City Clerk must attest all executed contracts.

G. Exceptions

1. Insurance and Benefits. Notwithstanding the dollar limits for approvals listed above, the City Manager is nonetheless authorized to execute and deliver on behalf of the City binders for property and liability insurance, workers' compensation insurance and renewals or extensions of employee health or benefit insurance policies.
2. Legal Services. In compliance with the City's home rule charter, legal services procured by the City Attorney's Office are not subject to this Policy.
3. Cooperative Purchasing. Products or services for which other public agencies have engaged in a competitive solicitation process and are able to have their bid prices extended to the City, such as State Bid, GSA, etc., are exempt from the solicitation requirements in this Policy. The City may also participate in joint solicitation with other agencies if it is in the best interest of the City to do so.
4. Items for Resale. Items procured by the City for resale to the general public, including, but not limited to, merchandise sold by the Buffalo Run Golf Course, technical manuals and codes adopted by reference, statute books, and food items such as prepackaged snacks and prepared meals, are exempt from this Policy.
5. Utilities. Utilities and utility bills, such as electricity, natural gas, water and sewer, television services and other utilities, shall be exempt from this Policy.

H. Emergencies

Except as otherwise provided herein, this Policy may be suspended only in emergency situations. The City Manager may authorize emergency procurements of goods or services when there exists a threat to public health, welfare or safety, or when other good cause exists. Such procurements shall be made as expeditiously as possible considering cost and other factors. The City Manager shall establish the process and procedures for emergency procurements.

ARTICLE III – ETHICAL RESPONSIBILITIES

A. Council Members

Council members involved in procurement decisions on behalf of the City shall comply with the Council's Ethics Policy found in Council Policy #CP-14.

B. City Employees

With respect to procurement, all City employees are subject to the provisions of the City's Employee Policies governing conflicts of interest.

C. Vendor Avoidance

No City employee shall knowingly over- or under-estimate the requirements of this policy and/or solicitations or fail to disclose existing requirements in order to avoid conducting business with a particular vendor.

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D. Misrepresentation

No City employee shall misrepresent competitors' prices, quality or services in order to obtain concessions from vendors.

E. Division of Procurements Prohibited

No procurement shall be artificially divided in an attempt to avoid compliance with this Policy.

ARTICLE IV – SUSTAINABLE PROCUREMENT RECOMMENDATIONS

A. General Policy Statement

City employees should endeavor to procure materials, products and services in a manner that integrates fiscal responsibility, social equity and community and environmental stewardship.

B. Use of Best Practices

City employees will make a *good faith effort* to make use of best practices in sustainable procurement. As applicable to this Policy, best practices are those that utilize leading-edge sustainability factors, standards and procedures in an efficient and effective way that is successful and replicable, including new environmentally-preferable products, reusable products, recycled content and recycled products.

ARTICLE V – LOCAL PREFERENCES

A. Local Business Preference

1. When a procurement not subject to formal or informal solicitation is available from a local business, as long as pricing, specifications, quantity and quality are comparable, the procurement shall be made from the local business.
2. When a response to a formal or informal solicitation received from a local business would, *if not for the cost*, provide the best value to the City, and such cost does not exceed, by more than 5% or \$5,000 (whichever is less), the cost quoted by the vendor whose response would otherwise provide the best value, the award shall be made to the local business.

B. Definition

A "local business" is a business: (a) located within the corporate limits of Commerce City; (b) currently licensed with the City; *and* (c) in compliance with the requirements of the City's sales and use tax code.

ARTICLE VI – GENERAL PROVISIONS

A. No Vendor Rights Established

This Policy is strictly reserved for the use of the City. It does not create any rights or benefits upon any prospective vendor, and nothing contained herein shall give or allow any claim or right of action by any prospective vendor.

B. Retention Schedule

All quotes and responses received and all formal solicitations made shall be retained in accordance with the City's retention schedule and must be available for the City's annual audit.