



Procurement Policy Update

Presentation 26-107

07/13/2026

Procurement Policy History

- The existing procurement policy was first adopted in 2014 (resolution 2014-38)
- Minor revisions were made in 2018 re: local preference for procurements below \$10,000 (resolution 2018-92)
- Minor revisions were made in 2020 to incorporate language regarding federal law requirements and standards recommended by the City's financial auditors (resolution 2020-94)
- Commerce City began transitioning to centralized procurement in 2024
- The Procurement Division was established under the Finance Director in 2026

Procurement Division Overview

- Division is staffed to support citywide purchasing, competitive solicitation, vendor performance, and strategic sourcing activities
- Leads all citywide formal solicitations to ensure competitive integrity
- Provides training and support to departments to ensure consistent procurement practices
- Tracks documented savings and process improvements
- Guides the comprehensive review of policy and the procedure modernization effort

Policy Modernization

- City growth requires consistent, transparent procurement activities
- Decentralized practices enabled inconsistencies and compliance gaps
- The Updated Procurement Policy includes changes in the following categories:
 - Governance & Transparency
 - Controls & Compliance
 - Technology & Modernization
 - Internal Controls & Standardization
- These changes and associated benefits to the City are further detailed on slides 5-9

Key Policy Changes: Governance & Transparency

- Centralizes procurement authority within the Procurement Division
- Establishes Procurement Officer role and citywide responsibility
 - Oversees the procurement of goods, services, and construction
 - Maintains a Procurement Manual and Procurement Card Manual
 - Provides process consistency to improve transparency and vendor experience
- Increases discretionary threshold from \$10K to \$15K to streamline low-value purchases
 - Alignment with the federal micro-purchase threshold
 - Reduces unnecessary administrative steps

Key Policy Changes: Controls & Compliance

- Strengthens rules against procurement circumvention.
 - Prohibits intentional separate, sequential, or component purchases
 - Ensures equitable treatment of vendors
- Defines formal solicitation methods and re-solicitation requirements
- Expands waiver, sole-source, and failed-competition documentation to increase accountability and consistency
- Adds defined emergency procurement procedures reducing discretionary interpretation
 - Limits emergency purchases to the immediate need

Key Policy Changes: Technology & Modernization

- Requires IT approval for all technology-related purchases
 - Prevents redundant or incompatible purchases
- Adds IT participation on technology-related evaluations
- Clarifies and expands cooperative purchasing requirements
- Creates more robust rules for compliance documentation to increase audit defensibility
- Removes legacy local preference language
 - Ensures compliance with federal funding requirements

Key Policy Changes: Internal Controls & Standardization

- Requires departments to obtain purchase orders in advance
 - Allows for standard terms and conditions to be referenced
- Allows purchases of low-risk services up to \$10K using a purchase order (PO)
 - Streamlines smaller, routine business purchases
- All formal solicitations follow documented process
- Removes section addressing Master Services Agreements
 - Does not need to be included in Policy (Legal determines type of contract to be used)

Benefits to the City

- Implements best practices
- Strengthens transparency and public trust
- Reduces financial and operational risk
- Improves audit readiness and compliance
- Provides a consistent vendor experience
- Promoting fair and open competition and transparent operations without undue influence or political pressure
- Ensures good stewardship of taxpayer dollars

What is NOT Changing

- Requirement for fair and open competition remains
- Vendor integrity, past performance, and responsibility remain considerations
- Will continue to provide City Council with quarterly waiver report as part of the Quarterly Financial Reporting process

Next Steps

- Bring forward companion Ordinance for related code changes and Resolution for adoption of Updated Procurement Policy for Council consideration in August; proposed code changes include:
 - Implements changes in the Code to correspond with certain changes in the policy
 - Adds authority to issue purchase orders
 - Recommends other changes to simplify and unify various processes and approvals
- Finalize Procurement and Procurement Card Manuals (under development) to support consistent application of the Updated Procurement Policy
 - Detailed operating procedures and guidelines for use citywide
 - The manuals include detailed operating procedures and will not require Council approval
- Staff training and communication plan



Discussion

