

**SUBJECT: ORDINANCE NO. 1890, SERIES 2025 – A ORDINANCE
AMENDING CERTAIN SECTIONS OF CHAPTER 3.08 OF THE
LOUISVILLE MUNICIPAL CODE PERTAINING TO THE
PROCUREMENT OF GOODS, SERVICES AND CONTRACTS
FOR PUBLIC WORKS – 1ST READING, SET PUBLIC HEARING
FOR 02/18/2025**

DATE: FEBRUARY 4, 2025

PRESENTED BY: RYDER BAILEY, CPA, FINANCE DIRECTOR

SUMMARY:

City Council, through Resolution No 37, Series 2021, last updated the Purchasing Policy on May 18th, 2021. It is best practice for City Staff to regularly review and update this Policy.

Recommended modifications to the Policy can be summarized as follows;

- Adjustments to Purchasing Level Authority, to align with neighboring jurisdictions and Federal Guidelines
- Incorporate Federal Procurement Requirements
- Clarify Cooperative Purchasing
- Administrative Clean Up
- Modify reimbursement of sales tax paid

BACKGROUND:

Adjustments to Purchasing Level Authority:

Purchasing Level Authorities were last adjusted in 2015. Minimum PO requirement (\$2,500) dating back to 2006.

Staff surveyed ten cities (Frederick, Firestone, Lafayette, Longmont, Westminster, Broomfield, Thornton, Brighton, Superior and Golden), and all except Superior allow informal quotes <\$50,000. The majority of survey cities require formal bids for purchases >\$50,000, Longmont is the exception and requires formal bidding >\$250,000. The adjustment proposed to the purchasing levels is consistent with Federal procurement guidelines. Federal procurement allows informal quotes under \$250,000 unless the local purchasing policy level is lower, then must use local policy.

Purchase requisitions are time consuming for staff around the City and slow the purchasing process. Finance processes over 400 purchase requisitions per year which a process that involves department or admin staff in all departments creating the requisitions, managers, directors and the Finance Director to review and approve. For any requisitions >\$10,000, the City Manager's approval is also required. Removing the requirement for a requisition for all purchases <\$10,000 is anticipated to eliminate approximately 50% of the workload related to requisitions. While a requisition would not be required for purchases between \$5,001 and \$10,000, Staff will be required to solicit multiple informal bids or justify sole source provider, and submit documentation to Finance in order for invoices to be paid.

Incorporate Federal Procurement Requirements:

- 2 CFR Part 200 (collectively known as "Uniform Guidance") contains federal regulations jurisdictions are required to meet when using federal funds. Proposed purchasing levels and bid requirements meet or exceed the Uniform Guidance.
- Explanation of suspension and debarment requirements added to the Purchasing Policy along with a link to the federal website for verification of specific vendors.
- Definition of capital asset in the Purchasing Policy is amended from \$5k to \$10k which matches current City policy and meets federal procurement requirements.
- The current Purchasing Policy does not include federal procurement requirements. In July 2024, the City of Louisville was monitored by the State and this was a finding.

Clarify Cooperative Purchasing:

- Purchasing Policy currently allows staff to "piggyback" on contracts from State bid system, General Services Administration (GSA), or the Multiple Assembly of Procurement Officials (MAPO).
- Proposed amendment does not limit staff to the three named agencies, it allows use of any purchasing consortium along with other local governments if pricing available through those entities is advantageous to the City.
- Proposed amendment would eliminate the cap in which cooperative purchases could be leveraged.

Administrative Clean Up: Add Links, Formatting Consistency

- Replaces appendix with links throughout the Purchasing Policy to ensure staff are using the most up to date document related to the purchasing requirement.
- Multiple changes to standardize formatting in the document.

Reimbursement of Sales Tax Paid

- The language in the current purchasing policy requires employees to reimburse the City for sales tax paid to a vendor. Oftentimes, this means the employee is

SUBJECT: ORDINANCE NO. 1890, SERIES 2025

DATE: FEBRUARY 4, 2025

PAGE 3 OF 3

required to pay back <\$1 which is administratively burdensome for all parties involved.

- Per direction given by the Finance Committee, an employee may be required to reimburse the City for sales tax paid in excess of \$100 or may be requested to obtain a refund for the City from the vendor.

FISCAL IMPACT:

Staff is unable to precisely quantify amount of staff time saved. However, revisiting the Purchasing Policy is anticipated to significantly reduce staff time spent on smaller purchases while maintaining existing procurement controls.

FINANCE COMMITTEE:

At their November 21st meeting, the Finance Committee reviewed, provided feedback, and supported the proposed revisions and updates to the City's Purchasing Policy.

RECOMMENDATION:

Staff recommends approval on first reading and setting the public hearing for February 18, 2025.

ATTACHMENT(S):

- 1) Ordinance 1890, Series 2025

**ORDINANCE NO. 1890
SERIES 2025**

**AN ORDINANCE AMENDING CERTAIN SECTIONS OF CHAPTER 3.08 OF THE
LOUISVILLE MUNICIPAL CODE PERTAINING TO THE PROCUREMENT OF
GOODS, SERVICES AND CONTRACTS FOR PUBLIC WORKS**

WHEREAS, the City Council by Resolution No. **XX**, Series 2025 has amended the City of Louisville Purchasing Policies, to be effective April 1, 2025; and

WHEREAS, in connection with the adoption of the updated Purchasing Policies, the City Council desires to amend certain provisions of Chapters 3.08 of the Louisville Municipal Code pertaining to the procurement of goods, services and contracts for public works;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Section 3.08.010 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.08.010. Public improvement construction by contract.

All work done by the city in the construction of works of public improvement shall be done by contract let to the lowest, best and responsive, responsible bidder as determined by the city, pursuant to purchasing procedures and requirements adopted by resolution of the city council, using the following purchasing levels:

<i>Cost of Project</i>	<i>Bid Procedure</i>
0 to \$ 4,999.99	Bids or quotes not required
\$ 5,000 to \$9,999.99	Minimum of three telephone bids/quotes/proposals
\$10,000 to \$49,999.99	Minimum of three written bids/quotes/proposals
\$50,000 to \$99,999.99	Competitive bid process - approval by City Manager
Over \$99,999.99	Competitive bid process - approval by City Council

The city shall not be required to advertise for and receive bids for such technical, professional, or incidental assistance as it deems wise to employ in guarding the interests of the city against the neglect of contractors in the performance of such work.

Section 2. Section 3.08.040 of the Louisville Municipal Code is hereby amended to read as follows (words added are underlined; words deleted are ~~stricken through~~):

Sec. 3.08.040. – Bidding-Notice.

The city shall cause notice of the request for competitive bids to be published on the City's website at LouisvilleCO.gov and the City's official bidding website at least fourteen (14) days prior to the date set for the opening bids. Such notice may also be published in any other publication of limited circulation or trade journal designated by the city. The city may also mail or e-mail copies of such notice to a reasonable number of persons or firms who could reasonably be expected to make a bid, but such mailing or e-mailing is not required unless directed by the city council or city manager. Wherever a larger number of publications is required by state law or this Code, as in section 3.08.020, or wherever federal procurement requirements are applicable, such notice requirements shall be followed. The notice to bidders shall describe the subject of the bids and the place where the specifications, conditions, and terms of the proposed contract may be obtained or examined, the time when and place where bids shall be received, and the time and place of the opening of bids. The notice to bidders shall also state that the city reserves the right to reject any and all bids.

Section 3. This amendment to the Louisville Municipal Code set forth herein shall take effect April 1, 2025.

Section 4. If any portion of this ordinance is held to be invalid for any reason, such decisions shall not affect the validity of the remaining portions of this ordinance. The City Council hereby declares that it would have passed this ordinance and each part hereof irrespective of the fact that any one part be declared invalid.

Section 5. The repeal or modification of any provision of the Municipal Code of the City of Louisville by this ordinance shall not release, extinguish, alter, modify, or change in whole or in part any penalty, forfeiture, or liability, either civil or criminal, which shall have been incurred under such provision, and each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings, and prosecutions for the enforcement of the penalty, forfeiture, or liability, as well as for the purpose of sustaining any judgment, decree, or order which can or may be rendered, entered, or made in such actions, suits, proceedings, or prosecutions.

Section 6. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

INTRODUCED, READ, PASSED ON FIRST READING, AND ORDERED PUBLISHED this
4th day of February 2025.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

Kelly P.C. - City Attorney

PASSED AND ADOPTED ON SECOND AND FINAL READING, this _____ day of
February 2025.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk