



Legislation Text

File #: Resolution 58-2022, **Version:** 1

Agenda Date: 10/04/2022

Subject:

Resolution 58-2022: Confirming city council's support of a Yes vote on Ballot Question 3E seeking voter approval by the registered electors of the City of Littleton to remove procurement provisions from the city charter and move the procurement provisions to the city code

From:	James L. Becklenberg, City Manager
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PURPOSE:

Does council wish to execute a resolution in support of Littleton Ballot Question 3E?

PRESENTATIONS:

Staff Presenter(s): Reid Betzing, City Attorney
Additional Presenter(s): N/A

SUMMARY:

The Colorado Fair Campaign Practices Act (FCPA) allows the City Council to pass a resolution voicing their position on any ballot measure referred to the voters. City Council referred ballot measure 3E to the voters on August 16, 2022.

The City of Littleton's procurement regulations date back to the 1950s and are no longer in line with municipal procurement best practices. Section 97 of the Littleton Charter requires the city to compose and advertise competitive bids for supplies, materials, or equipment in excess of \$1,500 while also requiring awarding the bid to the lowest bidder without regard to performance, timing, and best practices.

Section 100 of the Littleton Charter requires that any capital asset over \$5,000 must be competitively bid. Council reviewed the procurement policies of 17 home rule cities and found that Littleton's requirement of \$5,000 was the lowest threshold of all surveyed cities.

Section 103 of the Littleton Charter requires any contract exceeding two years in duration to be reviewed and approved by city council. This requirement does not apply to software license agreements. Many city capital construction projects can easily exceed two years when the warranty period is included in the duration of a contract.

Moving the capital procurement thresholds to the city code will allow council to review and revise the thresholds over time as needed to set the manner, amount, and best practices for the procurement of goods and services for the city. Vendors may provide better pricing for a multi-year contract which leverages our negotiation options.

PRIOR ACTIONS OR DISCUSSIONS:

At the City Council Retreat on February 11 and 12, 2022, staff presented eight council goals for consideration including Goal 2: Financial Sustainability; Goal 4: Downtown; Goal 5: Arts, Culture and Tourism; and Goal 8: Good Governance and introduced the conversation around potential ballot questions to enhance the success of these goals. The following have occurred since then:

- April 12 study session - council received a presentation on its Work Plan with discussion of Goals, Objectives, and Action Steps including potential ballot questions
- April 19 council meeting - council approved a resolution releasing a budget proviso for public opinion research and polling and a Scope of Work for the Community Research and Engagement Project
- May 10 study session - staff presented a Procurement Policy Review, including proposed policy changes regarding purchasing
- May 17 council meeting - council adopted its 2022-2023 Goals and Objectives
- July 19 study session - council received a presentation on the Community Research and Engagement Project
- August 2 council meeting - Ordinance 17-2022 passed on first reading approving submitting to the registered electors of the city a ballot question regarding removing procurement provisions from the city charter and moving them to the city code
- August 16 council meeting - council referred ballot measure 3E to the voters

ANALYSIS:

Staff Analysis

Finance and procurement staff have studied the city's financial policies and recommend modernization of procurement provisions in both the city charter and code. A review of procurement policies of 17 home rule cities in Colorado revealed that Littleton's outdated purchasing regulations do not ensure supplies, equipment, and capital assets the city buys provide the best value to taxpayers.

Most notably, Littleton's procurement regulations, which date back to 1959, require that any capital asset over \$5,000 must be competitively bid. (A capital asset is defined as any item that's expected to last more than one year and costs more than \$5,000.) Further, Littleton is the only city that limits the length of a contract and is one of four cities that must accept the lowest price, without regard for product quality, vendor expertise, or timeliness of delivery. Each of the 17 cities updated their procurement rules within the past 20 years.

No other city in the Denver metro area has a capital asset bidding threshold as low as Littleton's. In 1959, \$5,000 purchased considerably more services, products, and supplies than it does today. Creating and publishing the bid documents, along with responding to bids, takes anywhere from 60 to 120 days, requiring hundreds of hours of staff time, and delays several important purchasing decisions each year. The process is also cumbersome for vendors, some of whom will not submit bids for projects at such a low threshold, as it is not cost effective for them.

Removing these procurement provisions from the charter and adding them to the city code, where they could be amended as needed over time by city council, will allow Littleton to maximize taxpayer dollars by selecting the vendors that provide the best overall value. This will create efficiencies in the city's procurement process, saving time currently spent preparing bids and waiting months for potential vendors to respond.

Council Goal, Objective, and/or Guiding Principle

Goal 2: Financial Sustainability

Goal 8: Good Governance

Fiscal Impacts

Recommended changes will allow Littleton to maximize taxpayer dollars by selecting the vendors that provide the best overall value and an appropriate contract term in an efficient manner.

Alternatives

Not support Ballot Issue 3E.

PROPOSED MOTION:

I move to approve Resolution 58-2022 confirming city council's support of a Yes vote on Ballot Issue 3E seeking voter approval by the registered electors of the City of Littleton to remove procurement provisions from the city charter and move the procurement provisions to the city code.