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MEMORANDUM

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P.O. Box 4100 ♦ FRISCO, COLORADO 80443

**TO: MAYOR AND TOWN COUNCIL**

**FROM: LESLIE EDWARDS, FINANCE DIRECTOR**

**RE: ORDINANCE 22-08 - AMENDMENTS TO THE PURCHASING CODE**

**DATE: JULY 12, 2022**

**Summary and Background:** It is common practice in local government, especially smaller sized entities, to take advantage of pricing offered to larger scale organizations, such as the State of Colorado. Such cooperative purchasing involves agreements with lead agencies, which purchase specified materials and services by preparing the bid or proposal solicitations, receiving bids or proposals, and awarding a contract for use by all participating members.

Additionally, the dollar amount thresholds cited in the Code of Ordinances of the Town of Frisco (the "Code") for department manager discretion, verbal quotes, written quotes, competitive bids, and Council approval via Resolution may be outdated; these limits have been in place since adoption in July 2007. Ten thousand dollars no longer has the same buying power as it did when the thresholds were established. Accordingly, it may be time to increase these thresholds based upon the Bureau of Labor Statistics CPI Inflation Calculator.

This information was presented to Frisco Town Council for discussion at a work session on June 28, 2022. Based upon that conversation, Town Council requested that Staff bring forward an ordinance to update the Town Code.

**Analysis:** Cooperative purchasing has been shown to improve competition and thereby the quality and price of materials and services, while avoiding duplication of efforts. Staff believes that the Town of Frisco will likely obtain better pricing through cooperative purchasing agreements, as compared to issuing a separate request for proposals.

The Town may participate in a cooperative purchasing programs by amending Chapter 9 of the Code concerning bid specifications. With such an amendment, any purchase made under a state contract, or similar awarded proposal under a purchasing cooperative, could satisfy competitive bid requirements for purchase of the item. Staff desires the ability to participate in the such arrangements in order to utilize state approved contracts and vendors for procurement of goods and services, as well as other cooperative purchasing options. Examples of cooperative purchasing that could be available to the Town of Frisco include:

State of Colorado bids (solicited through the Bid Information and Distribution System), from the Multiple Assembly of Procurement Officials (MAPO), the General Services Administration (GSA), Sourcewell (formerly National Joint Power Alliance), Omnia Partners, or US Communities. While purchases may be exempt from the formal bid process, these purchases made using such

procurement systems would still be subject to the normal approval process, including a requirement for Town Council approval for bids over a certain threshold.

Regarding the dollar thresholds listed in the Code, the following maximum thresholds have been calculated based upon CPI Inflation Calculator (rounded):

	<b>2007</b>	<b>2022</b>
Department Manager Discretion	\$10,000	\$14,000
Verbal Quote	\$25,000	\$35,000
Written Quote	\$50,000	\$70,000
Competitive Bid	\$100,000	\$150,000

**Financial Impact:** Staff expects that utilizing purchasing cooperatives will allow the Town to access lower pricing options than the Town could access on its own.

**Alignment with Strategic Plan:** As a part of the Staff's dedication to supporting Council's strategic priority of Quality Core Services, these amendments would allow the Town to provide excellent services to the residents at a lower cost. This is expected to be a more efficient use of taxpayer funds.

**Staff Recommendation:** Based upon the June 28, 2022 work session discussion with Town Council, Staff recommends that Town Council adopt the attached ordinance to amend 9-1 Formal Bidding Required, 9-3 Bid Specifications, and 9-9 Coordinated Government Purchases.

**Approved By:**

Leslie Edwards, Finance Director