



# **WESTMINSTER**

**COLORADO**

## **CITY COUNCIL MEETING**

**MAY 12, 2025 at 7:00 PM**

- E. Transition to Centralized Procurement and Citywide Contracts Update



## Agenda Memorandum

Agenda Item – 6.E.

City Council Meeting  
May 12, 2025



### **Strategic Priority 5: Resilient Infrastructure**

Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.



### **Strategic Priority 6: Organizational Vitality**

Develop and sustain an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster.

**Subject:** Transition to Centralized Procurement and Citywide Contracts Update

**Prepared By:** Aran Raz, Procurement Manager

### **Recommended City Council Action:**

This report is for information only and requires no action by City Council.

### **Summary Statement:**

This memo provides an update on the transition from a decentralized procurement model to a centralized Procurement Division. It also provides an update on streamlining procurement efforts through pursuit of more citywide contracts for regular contracted work such as on-call electrical, construction management, and utilities repair services. These efforts aim to enhance efficiency, cost-effectiveness, and expertise in procurement while fostering both citywide and regional collaboration.

### **Background Information:**

In 2021, the City moved to a centralized procurement process based on a Staff-driven business process review to leverage the expertise of both procurement professionals and project managers to save time and taxpayer dollars. The City previously operated under a decentralized model whereby individual departments managed their own procurement of goods and services, which was determined to be inefficient and led to inconsistent pricing and variable contract quality. The City's Procurement Division was created to offer a centralized team of professionals to assist Staff with the efficient, effective, and responsible use of public funds in the purchasing of all goods, services and construction. This change allowed Westminster to undertake procurement processes much like

Thornton, Arvada, and Lakewood. The updated procurement processes help ensure that City funds are spent responsibly, effectively, and ethically in support of the City Charter and Westminster Municipal Code. The procurement team helps process and issue purchase orders, solicitations and bids, as well as city contracts. The establishment of a centralized Procurement Division has helped to streamline operations and address challenges by:

- Improved Pricing through Economies of Scale – citywide contracts consolidate purchasing power, enabling the City to negotiate better pricing and terms with vendors. By issuing one contract per scope of work, smaller individual department or division contracts are consolidated into coordinated citywide contracts, maximizing pricing due to scalability and eliminating smaller, department-specific contracts.
- Time Savings and Operational Efficiency – centralizing procurement reduces duplicative efforts across departments, freeing up staff time for core responsibilities. A single, well-structured Request for Proposals (RFP) process, managed by a dedicated team, minimizes administrative overhead and accelerates contract execution.
- Expert-Led Selection Process – a centralized Procurement Division staffed with subject matter experts ensures RFPs are designed and evaluated by the City's qualified professionals. It also focuses on having subject matter experts select the most qualified service providers, regardless of which department may be utilizing the service, resulting in higher-quality contracts and better vendor performance.
- Consistency and Compliance – centralized procurement standardizes processes, ensuring compliance with the City's Municipal Code and other legal and regulatory requirements. This reduces the risk of errors, vendor disputes, or legal challenges that can arise from inconsistent departmental practices. With this centralized process that includes an Assistant City Attorney focused on procurement, greater consistency is obtained in negotiations, contracts, and compliance. Having a single contract ensures that all departments receive the same level of service, pricing, and contractual terms.

The Procurement Division is leading efforts to consolidate service contracts into unified citywide contracts. The first consolidated citywide contract for on-call electrical services was presented to and approved by City Council in April, 2025. As noted in that agenda memo, consolidating such service contracts into a citywide contract is part of the City's procurement efforts to streamline, improve transparency and efficiency, and better track expenses citywide. All City departments will be able to use the on-call contract within authorized expenditures, with the subject matter expert providing oversight of the contract in concert with procurement staff. Future items anticipated to be brought before City Council for consideration include on-call construction management and utilities repair services. These efforts aim to enhance efficiency, cost-effectiveness, and expertise in procurement while fostering both citywide and regional collaboration

On-call contracts do not obligate funds but rather utilize task orders. Funds are only obligated once a task order is executed.

As each bid solicitation progresses, the Procurement Division will encourage all vendors to apply, with the goal of contracting with more than one vendor for on-call services where possible. If the bids allow for a multi-vendor award, this will benefit the City by having more than one contractor available for all the City's needs throughout the year and provide for more vendors of different sizes and capacities to bid and potentially provide services to the City.

Moving to citywide contracts based on scope of work offers several advantages that include the following:

- **Optimized Contract Terms:** citywide contracts are tailored to the City's collective needs, ensuring comprehensive scopes and favorable terms.
- **Cost Control:** consolidated contracts reduce price variations and fluctuations that occur when individual departments execute separate contracts that may include less favorable terms.
- **Simplified Administration:** managing fewer, broader contracts reduces oversight complexity compared to tracking multiple agreements.

In addition, by incorporating cooperative language into citywide contracts, the City can share these agreements with neighboring municipalities, allowing them to leverage Westminster's procurement efforts. This cooperative approach offers the following benefits:

- **Mutual Capacity Building:** partnering with neighboring jurisdictions enables the City to share the workload of developing bids, with other municipalities potentially leading procurements that the City can utilize.
- **Cost Sharing and Regional Savings:** collaborative contracts expand purchasing power, driving down costs for all participating entities.
- **Strengthened Partnerships:** cooperative procurement fosters stronger relationships with neighboring municipalities, promoting regional alignment on shared priorities.

Transitioning to a centralized procurement model and adopting citywide contracts will deliver significant value to the City through better pricing, time savings, expert-led processes, and enhanced compliance. Additionally, incorporating cooperative language positions the City as a regional leader, enabling cost-sharing, collaboration, and enhanced partnerships with neighboring municipalities.

Accompanying this memo in the May 12, 2025 packet for City Council's consideration is a memo regarding on-call services for large construction projects and a memo regarding on-call construction services for small- to medium-sized projects. Staff respectfully requests that City Council approve this transition to consolidated citywide contracts where possible to strengthen the City's procurement framework and optimize the use of public resources.

This update on procurement processes supports the City's Strategic Plan goal of Resilient Infrastructure by focusing on efficiencies and best practices associated with procurement. It also supports the Strategic Plan goal of Organizational Vitality in equipping staff with procurement methods that maximize the delivery of services while utilizing transparent procurement processes.

Respectfully submitted,



Jody L. Andrews  
City Manager