
Tuesday, February 18, 2025, 6:00 PM

Council Chambers
One DesCombes Drive
Broomfield, CO 80020

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1. Concept Review

2. Study Session

2A. Residential Waste Services Reimbursement of Cancellation Fees

2B. Broomfield Minimum/Livable Wage Analysis and Considerations

2C. Best Value Contracting

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Date Posted: February 12, 2025



A. Residential Waste Services Reimbursement of Cancellation Fees

Meeting	Agenda Group
Tuesday, February 18, 2025, 6:00 PM	Study Session Item: 2A.
Presented By	
Alison Harvey	
Community Goals	
<input checked="" type="checkbox"/> Growing Greener	

Overview

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The Broomfield Residential Waste Services will begin services starting March 31, 2025. Residents of single family homes and multi-unit complexes with 7 or fewer units who do not have trash and recycling provided by their HOA are required to participate unless they pay a \$10.50 monthly fee to opt out. Many of these residents may have to pay fees to cancel services with their current hauler. HOAs may choose to join the program or contract trash and recycling services directly.

At the September 24, 2024 City Council meeting, Council directed staff to investigate the costs associated with households leaving their existing hauler and transitioning to the Broomfield Residential Waste Services program, and the feasibility of implementing a reimbursement program to cover these costs.

Attachments

[Memo for Residential Waste Services - Reimbursement.pdf](#)

Summary

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Background

The City and County of Broomfield Council has set targets to increase waste diversion to 50% by 2025 and 100% diversion by 2035. Currently, about 22% of discarded material in Broomfield is recycled, reused or composted. The rest goes to the landfill, even though much of this material could be reused, recycled or composted. The new Residential Waste Services program, which is for residents who do not already have trash hauling and recycling provided by their HOA, will help advance the community toward reaching those ambitious goals.

On October 10, 2023, Council approved [Resolution No. 2023-123](#) directing staff to issue a “request for proposals”.

Six proposals were submitted as part of this competitive solicitation process. All six proposals were carefully reviewed, and all potential vendors were interviewed.

After a thorough proposal review and vendor selection process, staff negotiated a proposed contract with Waste Connections of Colorado to provide trash and recycling services to eligible Broomfield residents.

On September 10, 2024, Council approved [Ordinance No. 2242](#) to allow the City to contract with a licensed hauler to provide residential waste collection services. Council also approved a 5-year [agreement with Waste Connections of Colorado, Inc.](#) to implement Broomfield’s City-contracted residential waste collection service program as contemplated with Ordinance No. 2242.

Program participation metrics as of December 21, 2024 sign-up deadline

Selection	Number	Percentage (of 9,377 eligible households)
Small (35-gal) trash cart	1,205	12.9%
Medium (65-gal) trash cart	1,386	14.8%
Large (95-gal) trash cart	1,527	16.3%
Opt out	796	8.5%
No response	4,463	47.6%

As communicated during the sign-up period, residents who did not select a trash size or opt out will automatically receive a 65-gallon trash and a 95-gallon recycling cart and be billed at \$19.43 per month. They will have the option to change this at rollout.

Community Concerns

Between September 11, 2024, and January 10th, 2025, staff responded to 336 resident queries about the new program, which took an estimated 230 hours of Sustainability Team staff time. In responding to questions and talking with residents during outreach events, staff has received feedback from the community. Some of the concerns residents have raised include the following:

- The contract with Waste Connections doesn't include organics collection, dumpsters, or multiple trash carts, which is particularly a problem for agriculture estate parcels and properties with many trees.
- Empty residences are required to participate in the program or pay the opt-out fee.
- Residents don't want to pay the opt-out fee or would like an exception to the fee on grounds including economic hardship and medical needs.

Ordinance No. 2242, codified as Chapter 8-42 in the Code, does not allow for exemptions to the program or exceptions to the minimum service fee/opt-out fee that would address these concerns. An amendment to the code would be required to add those exemptions or exceptions.

To date, Council has not directed staff to evaluate the impacts potential amendments to the current code may have on the trash hauler contract, staff time, current or proposed sustainability initiatives, and costs associated with any such amendments.

Next Steps

The Broomfield Residential Waste Services will begin services starting March 31, 2025. Residents of single family homes and multi-unit complexes with 7 or fewer units who do not have trash and recycling provided by their HOA are required to participate unless they pay a \$10.50 monthly fee to opt out. Many of these residents may have to pay fees to cancel services with their current hauler. HOAs may choose to join the program or contract trash and recycling services directly.

Reimbursement Program for Cancellation Fees

At the September 24, 2024 City Council meeting, Council directed staff to investigate the costs associated with households leaving their existing hauler and transitioning to the Broomfield Residential Waste Services program, and the feasibility of implementing a reimbursement program to cover these costs.

Magnitude of Impact

Staff met with Republic Services, Waste Connections of Colorado, Waste Management, and Western Disposal. Waste Management is the only licensed residential waste hauler that confirmed to Staff their intent to charge a fee (for cart removal) when customers cancel their services and transition to the Broomfield Residential Waste Services program. Waste Management has provided staff written notification that the fee for the removal of the cart is \$65 per trip. If Waste Management removes two carts at the same time, it's one charge. However, some customers have been told by Waste Management that the fee is \$75. Other than the cart removal fee, Waste Management informed Staff there are no other fees.

Although Republic Services told Staff they would not charge fees, at least one resident has been informed by Republic Services that there is a \$40 per cart removal fee, waived if the customer returns the carts to Republic's Commerce City facility. Staff is seeking further confirmation from Republic Services. Waste Management provides services for 3,000 non-HOA households in Broomfield. Republic Services provides services for 1,000 non-HOA households in Broomfield.

Waste Management has informed staff that they will continue to provide services to non-HOA customers in Broomfield. As of January 10, 2025, 335 customers had informed Waste Management that they plan to opt out of the city program and remain with Waste Management.

Reimbursement Cost Estimates

To make sure the full potential cost of a reimbursement program is accurately estimated and budgeted, staff has assumed a \$75 cart removal fee for Waste Management customers (3,000) and a \$80 (assuming each household has a trash and recycling cart - \$40/cart) cart removal fee for Republic Services customers (1,000). Calculations also assume a single reimbursement per household, i.e. a limited program that will end after the initial service rollout period. Based on these numbers, the maximum cost to reimburse fully all 3,000 Waste Management customers and 1,000 Republic Services customers, if they don’t opt out of the city’s program, would be \$305,000.

Cost Breakdown: CCOB and Resident

The following table provides the cost estimate for 5 different reimbursement options to summarize the financial impact depending on direction from Council.

	Waste Management Customers		Republic Customers (2 carts)	
	Broomfield Pays	Resident Pays	Broomfield Pays	Resident Pays
100% Reimbursement	\$75.00	\$0.00	\$80.00	\$0.00
75% Reimbursement	\$56.25	\$18.75	\$60.00	\$20.00
50% Reimbursement	\$37.50	\$37.50	\$40.00	\$40.00
No reimbursement	\$0.00	\$ 75.00	\$0.00	\$ 80.00

Reimbursement Process

If Council directs staff to implement a fee reimbursement program for residents required to pay a cart removal fee to Waste Management and Republic Services, a form will be made available on the City and County website that instructs residents to upload the required documentation. Residents would be able to submit one reimbursement request before June 30, 2025.

The reimbursement process would be as follows:

1. Broomfield resident submits form and required documentation. Invoice/receipt will need to contain the cart removal fee as a separate line item.
2. Broomfield staff reviews form to confirm eligibility.
3. Broomfield staff informs residents that reimbursement has been approved.
4. Broomfield staff enters a credit amount in the utility billing system.
5. Residents receive utility billing credit in approximately 60 days.

Financial Considerations and Staff Impact

Any option for reimbursement is an unbudgeted expense. Staff would need to allocate funds either through a budget amendment or cost savings. The budget impacts outlined below would be in addition to the expenses noted during approval of Ordinance No. 2242 (\$182,751 total as detailed in the [Council memo](#)), including two 12-month Limited Term Appointment positions which are also unbudgeted. The

reimbursement program will place a significant burden on the Sustainability and Utility Billing teams. Any option that involves reimbursing all impacted residents (up to 4,000 households) will require about 2,000 hours of staff time to process the reimbursements, with most of the impact happening within a 6-month period. If the reimbursement program mirrors the partial property tax refund program, applying to residents at or below 60% AMI as well as seniors, staff estimates about 1,200 hours will be required to process the reimbursements. If Council directs staff to implement a reimbursement program, it is critical that Council approves the previously requested FTE LTA positions in the first 2025 budget amendment.

Option	Estimated Maximum Budget Impact (All options unbudgeted)
1- 100% Reimbursement for all impacted residents	\$305,000.00
2 - 75% Reimbursement for all impacted residents	\$228,750.00
3- 50% Reimbursement for all impacted residents	\$152,500.00
4- 100% Reimbursement for households at or below 60% AMI or seniors 65+	\$91,500.00
5- No reimbursement	\$0

The total 2025 operating budget for Public Works Sustainability and Solid Waste & Recycling programs (excluding personnel and sustainability-related expenditures in Fleet, Facility Services, and other departments) is \$1,019,450.00. This includes the following programs and expenses:

- Spring Clean-Up. Approximately 10,000 households participate in the program each year. Approximately 97.17 tons are diverted each year.
- Household Hazardous Waste. Broomfield provides two events per year, one in spring and one in the fall where residents can safely dispose of household hazardous materials and electronic waste. Approximately 18,968 lbs of hazardous materials are safely disposed of each year, serving about 1600 residents.
- Shred It Events. Broomfield provides Spring and Fall Shred-It events for Broomfield Residents at no cost and typically services 1,000+ residents per year.
- Environmental education class presentations and school field trips.
- Eco-Cycle Green Star Schools. Introduces compost collection to schools, improves recycling, and puts a strong emphasis on waste reduction activities and education.
- Residential Waste Services outreach and education to support the rollout of services.
- Weatherization Services. Partnership with Energy Outreach Colorado to offer Weatherization Services to income-qualified residents.
- Home Energy Assessments. Utilizing Xcel Energy’s Home Energy Squad® (HES) Program helps homeowners and renters reduce energy use through personalized home energy assessments.
- Switch Together Solar aims to make solar energy more affordable and accessible for residents and small businesses.

The reimbursement options are currently not part of the 2025 budget and without substantial changes to the Spring Clean-Up program, the Sustainability Program Budget cannot absorb any of the reimbursement options outlined in this memo.

Sources and Uses of Funds - Sustainability and Solid Waste & Recycling Program Budgets	Amount
2025 Solid Waste and Recycling (Account 01-30500)	\$885,900
2025 Sustainability (Account 02-55200)	\$133,550
Budgeted Sustainability and Solid Waste & Recycling Expenses	
Spring Clean-Up	-\$670,550
Household Hazardous Waste	-\$42,000
Shred It Events	-\$7,380
Eco-Cycle Green Star Schools	-\$22,400
Environmental education class presentations and school field trips	-\$28,140
Residential Waste Services outreach and education to support the rollout of services	-\$25,000
Municipal Waste Services	-\$147,000
Weatherization Services	-\$40,000
Home Energy Assessments	-\$16,700
Switch Together Solar	-\$10,700
Total Uses of Funds	-\$1,009,870
Projected Balance	\$9,580

Prior Council or Other Entity Actions

February 11, 2020, Council approved [Resolution No. 2020-65](#), adopting Zero Waste Goals.

September 22, 2020, Council approved [Resolution No. 2020-169](#), adopting Greenhouse Gas Reduction as a Guiding Principle and Supporting the Creation of a Greenhouse Gas Reduction Plan.

October 9, 2020, Broomfield received an award ([letter](#)) of \$90,000 from CDPHE’s “FWRD” grant program to hire a consultant to draft a zero-waste plan.

January 12, 2021, Council approved [Resolution No. 2021-5](#) approving a consulting agreement with Abbe & Associates, LLC (AKA Zero Waste Associates) in the amount of \$85,300 for professional services in regard to increasing recycling, composting, and waste diversion in Broomfield.

January 18, 2022, Staff was directed to prepare a ballot question to authorize the City & County to adopt a community recycling and composting ordinance and to contract with one or more private waste haulers for waste removal services, commonly known as Universal Collection.

July 26, 2022, Council rejected [Proposed Resolution No. 2022-94](#) adding a ballot question to the November 2022 election concerning Universal Collection in Broomfield, and directed staff to facilitate more robust community engagement and to prepare a study session to address the concerns and questions of Council and the public.

April 18, 2023, Council directed staff to pursue a Residential Waste Services (Universal Waste Collection) Program including trash collection with volume-based/PAYT pricing and recycling services bundled at no additional cost, and a Residential Recycling and Composting Ordinance focused on hauler licensing requirements. Council further directed staff on key elements of the program, including requirement of an opt-out fee for households, exploration of multiple options for organics collection, and that HOAs should participate in the program. [View the Study Session memo here.](#)

October 10, 2023: Council approved [Resolution No. 2023-123](#) directing staff to issue a “request for proposals” for City-Contracted Residential Waste Hauling Services.

April 16, 2024, and May 7, 2024, Executive Session for Legal Advice and Direction to Negotiators.

August 13, 2024: Council approved, on first reading, [Ordinance No. 2242](#).

September 10, 2024: Council approved [Ordinance No. 2242](#) to allow the City to contract with a licensed hauler to provide residential waste collection services. Council also approved an [agreement with Waste Connections of Colorado, Inc.](#) to implement Broomfield’s City-contracted residential waste collection service program as contemplated with [Ordinance No. 2242](#).

September 24, 2024: In response to a Request for Future Action, Council directed staff to investigate the costs associated with households leaving their existing hauler and transitioning to the Broomfield Residential Waste Services program, and the feasibility of implementing a reimbursement program to cover these costs.

Boards and Commissions Prior Actions and Recommendations

Staff is scheduled to present these options to the Advisory Committee on Environmental Sustainability (ACES) for review on February 10, 2025. Staff’s presentation of this Council agenda item will include ACES’ recommendation.

Proposed Actions / Recommendations

Feedback and direction from City Council regarding the preferred option.

Alternatives

Do not direct staff to implement a reimbursement program for residents affected by waste service cancellation and/or cart collection fees.



B. Broomfield Minimum/Livable Wage Analysis and Considerations

Meeting	Agenda Group
Tuesday, February 18, 2025, 6:00 PM	Study Session Item: 2B.
Presented By	
Jeff Romine, Economist - CMO	
Community Goals	

Overview

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During the 2024 Focus Session, the City Council directed staff to analyze the potential effects of moving the Broomfield community toward a livable wage. AECOM, a nationally recognized engineering and economic consulting firm, was chosen to complete the research because of its knowledge of the North Metro area and Broomfield markets and economy and its experience with similar studies in other markets in the county. AECOM has completed its economic study, the Broomfield Local Labor Market and Livable Wage Study. The lead consultants will present their analysis and findings from the survey to the City Council during the study session.

Attachments

[Memo for Broomfield Minimum_Livable Wage Analysis and Considerations .pdf](#)

Summary

[View Correspondence](#)

[View Presentation](#)

During the 2024 Focus Session, the Council directed staff to analyze the potential effects of moving the Broomfield community toward a livable wage. At the time, Boulder County had determined to move forward with establishing a local minimum wage for the unincorporated portions of Boulder County, and the Consortium of Cities (COC) comprised of several communities within Boulder County, had initiated a minimum/livable wage study that generated recommended increases; the cities of Longmont, Louisville, Lafayette, and the town of Erie, have either chosen not to pursue this matter, placed it on hold until later in 2025, or are still in deliberations. Adams County was starting a local minimum wage study for the county and communities.

Broomfield staff discussed the Boulder (CO) communities and Adams County studies with the appropriate staff leading the Boulder (CO) communities. After understanding the status and scope of each of these studies, Broomfield initiated a focused research to obtain the information requested by the Council.

AECOM, a nationally recognized engineering and economic consulting firm, was chosen to complete the research because of its knowledge of the North Metro area and Broomfield markets and economy and its experience with similar studies in other markets in the county.

The consultant team examined labor market and compensation data, business sector characteristics and impacts, and academic and applied studies and analysis. Research and evidence show that policy initiatives and efforts for localized minimum and livable wage are very recent; with several states enacting state-wide minimum wage levels (different than national minimum wage) only over the past decade or more, metropolitan central city efforts (on both coasts) have been occurring for about a decade, and for Colorado community only over the past five years.

AECOM has completed its economic study, the Broomfield Local Labor Market and Livable Wage Study. The lead consultants will present their analysis and findings from the survey to the Council. The presentation will include the following:

- Methodology and analysis,
- Effects on Workers and Households - such as directly and potentially affected workers, employment changes and wage changes, and
- Effects on Businesses - such as impacts on labor costs and the businesses' operating costs.

After the presentation and responses to Council questions related to the economic analysis, staff will seek direction on this potential initiative from the Council. Depending on the direction provided by the Council, possible next steps may include determining the timing of the following steps, undertaking community and business community engagement efforts, and examining implementation activities and news (such as outreach and information, regulations, and compliance and enforcement). For example, one of the most challenging issues observed in other communities is the impact on restaurants and similar establishments due to State of Colorado regulations related to tip and non-tip wage rules.

Financial Considerations

Depending on the Council's direction, staff anticipates the costs of undertaking community engagement and implementation/regulatory activities will require an estimated \$100,000-\$200,000 for consultant services and related expenses. One-time implementation costs and additional financial impacts related to ongoing compliance and enforcement will also have to be discussed. These costs have not been included in the 2025 budget.

Prior Council or Other Entity Actions

The Minimum/Livable Wage Analysis and Study was requested by City Council in the March 2024 Focus Session.

Proposed Actions / Recommendations

No action is needed at this time. Staff is seeking direction from the City Council on next steps.



C. Best Value Contracting

Meeting	Agenda Group
Tuesday, February 18, 2025, 6:00 PM	Study Session Item: 2C.
Presented By	
David Acevedo-Yates	
Community Goals	
<input checked="" type="checkbox"/> Financial Sustainability and Resilience	

Overview

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Following its Focus Session on March 1-2, 2024, and a follow-up study session on November 21, 2024, City Council requested staff gather information and define the practices and categories of best value solicitation awards versus preferred procurement practices that are values based, to identify if any preferred methods should be implemented.

Attachments

[Memo for Preferred Procurement \(Values Based\).pdf](#)

Summary

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Following the Council Focus Session on March 1-2, 2024, and a follow-up study session on November 21, 2024, Broomfield City Council Member Marsh-Holschen requested that the Council direct staff to gather information and define the practices and categories of best value solicitation awards versus preferred procurement practices that are values-based, to identify if any preferred methods should be implemented.

The Procurement Code for Broomfield is in Chapter 3-20 of the municipal code. The Code provisions are intended to set forth a centralized general structure process for procuring goods and services within the City and County of Broomfield. The purpose statement in the Code is “to provide for the fair and equitable treatment of all persons involved in purchasing by the city, to maximize the purchasing value of public funds in procurement, and to provide safeguards for maintaining a procurement system of quality and integrity.” B.M.C. 3-20-010. A key requirement of the Code is the City and County Manager's adoption of procurement rules and administrative procedures. B.M.C. 3-20-090. The Procurement Manual (current version March 8, 2021, and is being updated) includes operational decisions such as vendor selection criteria. The decision to use best-value solicitation was an operational decision made in 2013, possibly earlier, as outlined in the Procurement Manual. That decision has been revisited with each iteration of the Procurement Manual.

Background

Broomfield's procurement staff oversee the acquisition of various goods and services, serving as impartial intermediaries in the process. They follow a methodical, repeatable, standardized approach, ensuring transparency, fairness, and equity. Using a team-based approach, the staff ensures integrity at every stage, with multiple participants reviewing, commenting, and scrutinizing each solicitation. This collaborative effort helps select the most qualified vendor who provides the best value to Broomfield.

Over the past year, the team has worked to research and review processes to ensure equity and efficiency and improve the overall procurement process for Broomfield. Two areas of consideration have been best value solicitations and values-based preferred procurement practices, both holding different intentions for process and outcomes.

- I. Best value solicitation seeks the best value based on tangible and intangible costs.
- II. Values-based preferred procurement practices aim to ensure that goods and services are sourced with a preference for ethical considerations, sustainability, social responsibility, and the values an organization prioritizes.

Current and Best Practices:

1. Best Practices in Procurement:

In line with the American Bar Association Model Procurement Code, most states have adopted best procurement practices guided by the National Association of State Procurement Officials (NASPO) and state statutes. As a member of NASPO, Broomfield's procurement team has access to numerous resources and guidelines to ensure the process is transparent, fair, and effective.

One of these key resources is the [NASPO Solicitation Methods Guide](#), which outlines procurement methods for formal solicitations. This guide helps establish consistent practices across government entities, enabling vendors to engage with these organizations more efficiently.

Broomfield's Approach

Broomfield follows the formal solicitation methods outlined in NASPO's Solicitation Methods Guide, ensuring that we adhere to best practices and use taxpayer funds best. We also stay current with new best practices and continually recommend changes to improve our procurement processes.

2. Best Value Solicitations

Under [Federal Acquisition Regulation \(FAR\) 15.101](#), federal agencies use the best value method to support the idea that taxpayer dollars are used to buy the best quality and value of services or products. When evaluating both tangible and intangible benefits of the total cost, the best value method assessments may encompass the quality of the proposed solution, technical knowledge, demonstrated management competence, environmental efficiency, warranty, expertise, past performance, delivery terms, or provided maintenance. These criteria are independently reviewed to ensure that a low dollar price is not the only cost factor in awarding a contract or solicitation. The final selection contains detailed documentation supporting the best value method decision process to ensure a fair and equitable process was completed. Broomfield sometimes follows this process where federal or state funding may be used.

Broomfield's Practice

As a practice, Broomfield's definition of best value is based on FAR 15.101. It encompasses a selection method for services or products that provide the most significant overall benefit to the City and County of Broomfield in response to the solicitation requirements. This is accomplished by comparing all costs, such as actual costs, opportunity costs, cost savings, or cost avoidance, to tangible and intangible benefits.

Best value and lowest cost methods are used primarily during the invitation for the bid process, as vendors are provided with a specific set of requirements in a market where pricing and quantities are generally known, thus allowing us to receive expected comparable costs. The lowest cost method includes no other factors besides the lowest price of the responsive, responsible bidder, which is required under some state or federally funding projects.

The Request for Proposal process allows for negotiating submitted costs to determine the best fit of offered services. During the Request for Proposal evaluation process, Broomfield ensures the best value is considered through reviewing factors such as cost, quality, and the overall fit of the offered services. Although the specific best value methodology is not explicitly outlined, the evaluation process inherently includes steps to guarantee that Broomfield receives the most advantageous combination of services and pricing.

3. Values-Based Preferred Procurement Practices

Preference categories for vendors vary from state to state based on the priorities of their communities. One will find a variety of preferences from minority or woman-owned businesses, degrees/levels of sustainable practices, reliance on small businesses, local preferences, product safety, and many more. This practice can be seen as Values-Based Preferred Procurement but is often called preferred procurement practices. NASPO has created a state repository to show different preferences and requirements that vary based on prioritized values: [NASPO Preference Repository](#).

Colorado State and Local Practices: Some local and state entities have begun implementing preferred practices. These include the City of Boulder, the City and County of Denver, and State Offices. Through conversations with these three entities, we have learned that other local governments are beginning to research the implementation of preferred practices that fit their community priorities. The entities include Westminster, Lakewood, Colorado State, and Aurora. As of this writing, we have not had the opportunity to connect with these entities; however, we are working to arrange discussions to learn more about their current processes and plans.

When implementing preferred procurement practices, the best practice for municipalities and other government entities to demonstrate a need and defend against any legal challenges is to have an external consultant complete a Disparity Study.

While disparity studies for state offices are required under §§ 24-103-1001 through 24-103-1004, local entities also complete these to ensure they support the proper practices. Disparity studies have been completed individually by The City and County of Denver, the City and County of Boulder (jointly), and the City of Aurora.

Disparity studies help governments identify and provide information on unequal access to competitive contracts for businesses owned by minority groups, women, and other historically underrepresented or disadvantaged groups. Disparity studies can include small businesses, veteran-owned, local preference, and any other area where an entity identifies a need for preference. To ensure effective processes, Disparity Studies should be completed every five years to ensure efforts are focused appropriately.

Practices in Colorado

This past year, the procurement team spent time reviewing our current practices and processes and best practices from local, national, and federal entities. As part of this review, we met with or gathered information from other entities regarding preferred procurement practices and their processes. While not many municipalities analogous to Broomfield have implemented preferred procurement practices, we have gained invaluable knowledge from entities we have met with who have implemented preferred practice methods.

1. City of Boulder

Prevailing Wages. The City of Boulder has implemented requirements through Boulder Municipal Code 12-6-1 *et. seq.* to require certain vendors to maintain a living or prevailing wage.

As part of their solicitation and contracting process, they set a requirement for the following five groups of workers to ensure they are paid a living wage: custodial, landscaping, tree services, carpet installation, and snow removal. Contracted vendors must pay their workers a living wage based on Boulder's Sustainability Index, as set by the City of Boulder's Human Resources team.

Boulder is in its eighth year of this requirement. After some learning, they have shown some success in both retention of workers and retention of contractors and subcontractors in the above work areas due to the differential pay of higher wages. They additionally maintain compliance through their Tax Assessor office, which conducts an audit twice yearly for all participating contractors. For those found in default, they are required to pay the differential and provide evidence of the back pay. Vendors who do not comply or provide evidence are considered in breach of their agreement and subject to termination.

This process has taken several years to evolve, and the proper format for compliance has been identified. While no official estimate of time was provided, it was communicated that the amount of time varies considerably based on the number of contractors and employees and varying levels of non-compliance.

As of 2023, Boulder had begun to require vendors to provide health benefits to all workers, who had to meet a minimum number of hours. These health benefits equal what a company's regular employees receive without offsetting employee contributions. However, they have found that many of these workers are not electing to use the health care benefits as the cost is too high to cover, and they have lower cost options through other state-provided programs.

2. The City and County of Denver

Prevailing Wage. The City and County of Denver require compliance under Section 20-76, Division 3, Article IV, Chapter 20 for a prevailing wage in all contracts of \$2,000 and more only for services in construction, improvement, repair, maintenance, demolition, or janitorial work, as mandated through an ordinance. Their current living wages are provided by category on their [Denver Labor Prevailing Wage website](#). While the procurement teams ensure this category is met, they have a separate Prevailing Wage Department to manage the required weekly compliance from vendors. Vendors must submit their payrolls weekly using an online certified payroll tracking and compliance system; the most commonly used nationally is LCP Tracker.

Disadvantage Businesses. The City and County of Denver are required under Ordinance Number 286-20, § 1, 4-13-20 for their purchases and formal solicitations to ensure they include small, disadvantaged, minority, and women-owned businesses. This process is managed by the [Division of Small Business Opportunity](#), who work on the outreach, onboarding, events, training, compliance, and reviewing defined procurement pools and small business goals, which are the two main items within their ordinance—using the North American Industry Classification System (NAICS) which is the standard used by Federal statistical agencies in classifying business establishments. Under their city ordinance, this department establishes program requirements for a small business-defined pool or minority business enterprise/women's business enterprise goals on city procurements and contracts. These are defined as

Defined Procurement Pool: Benefit is limited competition within Denver-certified businesses in the same NAICS code description

- Goods between \$50,000 - \$1,000,000
- There must be at least six vendors that match the NAICS code for that good to establish a Defined Pool.

Small Business Goals: The benefit is participation within Denver-certified businesses in the same NAICS code description.

- Services \$250,000 and above
- Goals from 3% to 29% are set for participating vendors and their subcontractors who must meet the goal of a minority business enterprise/women's business enterprise.

Staffing Impacts. While they have had some good benefits from these ordinances in building up small businesses in their community, it has created additional needs in staff and time to complete purchases and formal procurements. For example, two departments were designed to monitor the requirements of their ordinance. The Division of Small Business Opportunity employs approximately 25 full-time employees to perform compliance and monitoring, while the State Auditor's Office has staff dedicated to monitoring prevailing wages. Time delay is also a factor, as criteria are reviewed by these departments, which can add an extra two to four weeks into the process. Another factor that can delay time is when vendors within the Defined Pool do not respond to the solicitation; the solicitation must be canceled and reposted to open up to all vendors.

Because small, women-owned and minority businesses must be registered and work through meeting all requirements, the pool may be smaller in some categories. After five years, they have a pool of 1,400 businesses to draw from to meet the minimum of six vendors for each requested service. From this size of a pool, that is not always possible. However, the Division of Small Business Opportunity continues to do outreach to grow its pool of vendors.

Recently, the City and County of Denver increased its spending thresholds, moving their requirements for formal solicitations to occur beginning at \$150,000 and allowing them to use documented quotes for items between \$25,000 up to \$150,000, and utilizing the defined procurement pool database to look for small business vendors who may meet the needs of a project. Broomfield's current thresholds are \$5,000 to \$50,000 for documented quotes, and the formal solicitation process begins at \$50,000.

3. State Offices

Prevailing Wage. State offices have wage requirements under state statutes, many of which fall under construction projects and include prevailing wages under C.R.S. §24-92-Part 2 for a public construction project of \$500,000 or more. In speaking with the Office of the State Architect, they are statutorily required to use SAM.gov to establish their prevailing wages a minimum of once per year for vendors.

Staffing Impacts. Oversight is managed through two individual staff members to monitor and comply with ensuring vendors provide the required wages. At CDOT, six employees manage the prevailing wage agreements. They leverage the LCP tracker software to ensure vendor compliance documents and certified payrolls are submitted for review.

For all solicitations, vendors are selected based on meeting the established rate or those who are close. This can create complications as established wages must still be covered by that vendor, including if a job was bid at a lower cost, and it is later determined that the wage did not meet the requirements, the vendor must pay back wages.

Buy Clean Colorado. There is also the requirement under C.R.S. §24-92-117 for projects over \$500,00 which provide asphalt and asphalt mixtures, cement and concrete mixtures, glass, post-tension steel, reinforcing steel, structural steel, and wood structural elements to comply with the Buy Clean Colorado Act, for which the State Architects office must establish a maximum acceptable amount for global warming potential for the materials stated above.

Labor Support. Additionally, C.R.S. §24-92-115 requires apprenticeship programs for mechanical, electrical, or plumbing contractors and subcontractors who provide services of mechanical, sheet metal, fire suppression, sprinkler fitting, electrical, and plumbing work are required to certify their participation in apprenticeship programs registered with the United States department of labor's employment and training administration or state apprenticeship councils recognized by the United States Department of Labor. They must also have a proven record of graduating a minimum of 15% of their apprentices for at least three of the past five years.

4. Minority Business Office

Disadvantage Businesses. Under the Office of Economic Development and International Trade, the State developed the Minority Business Office, which has created the BIPOC (Black, Indigenous, and People Of Color) owned business site [Shop BIPOC](#). To allow all entities to view specifics on vendors they are selecting for non-competitive procurements, as described below:

The ShopBIPOC website is designed to connect consumers who intentionally want to purchase from BIPOC-owned businesses with those businesses and to allow BIPOC-owned companies to expand their markets. Among other outcomes, this site aims to reduce the racial wealth gap.

Impacts. While the site is a good option to identify BIPOC businesses, it may not be comprehensive, as vendors must register themselves and may not be aware of this opportunity.

Broomfield Next Steps

The procurement division has worked this past year to develop a baseline process for consistency for Broomfield end users and vendors. Our next steps will be to finalize updates to the Procurement Manual, including developing training and guidance for Broomfield employees to help them better understand the need and why behind being good stewards of taxpayers' funds.

While Broomfield does not have enough valid data to identify how preferred practices would impact our processes accurately, we can provide what we have learned from these discussions and research of others' practices.

One of the primary purposes of procurement methods is to ensure open competition, equity, and fairness in obtaining business from entities and good stewardship when using taxpayer funds. The Federal Transit Administration released a manual on lessons learned, [Best Practices Procurement & Procurement Manual](#). This manual included the following list of how agencies may create unfair or strict competition:

- Unreasonable requirements
- Unnecessary experience
- Excessive bonding requirements
- Noncompetitive awards
- Restrictive use of brand-name products
- In-state or local geographic preferences
- Organizational conflicts of interest

While we want to do what is best for our community, implementing restrictive methods can create discriminatory practices and reduce our ability to ensure that we are receiving the best overall value, financial or otherwise, through our solicitation processes. Modifying the current process may create more costs or potentially leave out a classified group for a project when we do not allow open competition between all qualified vendors.

Financial Considerations

Suppose there is a shift of Broomfield's current procurement practice towards values-based procurement. In that case, significant financial considerations may include commissioning a Disparity Study, increased staff time in solicitation development and review, delays in procurement times, increased costs in procured goods and services, and added full-time employees to monitor compliance and enforcement of new requirements. Additionally, staff resources would need to be reallocated, and additional staff would be required to manage the administration of a Disparity Study and draft the values-based procurement process utilized in Broomfield, as these elements were not included in staff's anticipated work for 2025. Shifting staff resources to this new effort could impact anticipated timelines for other ongoing projects, such as implementing the Enterprise Resource Planning (ERP) tool, upgrades to the P-Card process as part of the ERP, and delays in grant applications.

Disparity studies can range in cost; for example, the City of Aurora allocated approximately \$500,000, and the City and County of Boulder allocated roughly \$634,000 for their studies. These costs depend on the scope of work, complexity of the request, and quality of any existing data. It is estimated that Disparity Studies can cost a government entity between \$300,000 to over \$1,000,000. This study was not included in the 2025 budget.

Prior Council or Other Entity Actions

[February 28, 2021](#) - Council adopted Ordinance 2148 on second and final reading, the most recent amendment to the Procurement Code.

[March 1-2, 2024](#) - Council Focus Session with a topic discussion.

[November 21, 2024](#) - Council directed staff to schedule a study session on value-based contracting.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

Currently, the staff recommends not moving to a values-based procurement practice. Broomfield procurement practices, as they currently stand, are comprehensive and rigorous. The procurement team will continue to monitor best practices nationally and locally to advise the City and County Manager on operational changes as needed.

Alternatives

Should the Council direct staff toward values-based procurement practice, staff recommends Broomfield commission a Disparity Study. Such a study would review the procurement process to identify any discrimination in the process and determine if there is a need for remedial programs.