

BEST VALUE CONTRACTING

An Ordinance to Modernize Denver's Procurement

Budget & Policy Committee Presentation

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Where We Are Today

- Ongoing conversations with the Administration and city departments
- Initial ordinance draft completed and in review
- Active communication with stakeholders across labor, industry, and community
- Growing demand for procurement transparency and fairness
- Separating Contracts and Services functions within the BVC process
- Coordinating with the Mayor's Office on Executive Order 8 review
- Added weights to Criteria 5-25%
- Working with Department Heads and Executive branch to align priorities



The Problem

- No uniform BVC standard exists across Denver's city departments
- Some departments still default to lowest bidder, reinforced by Executive Order 8
- Inconsistent interpretation of "competitive selection" across agencies
- Community values — equity, local hiring, sustainability — are not consistently reflected in awards
- Low goals for small business utilization and virtually no enforcement mechanism
- No formal pre-qualification standard, no contractor responsibility certification



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What Is Best Value Contracting?

A procurement method that evaluates price and other predetermined criteria to identify the proposal most beneficial to the City — not simply the cheapest one.

CURRENT: LOW-BID

- Award goes to the lowest responsive, qualified bidder
- Price is the dominant factor
- No consistent safety, labor, or equity weighting
- Hidden costs surface later as rework or delays
- Limited contractor responsibility vetting

UNDER BVC: BEST VALUE

- Scored evaluation across eight defined criteria
- Price + quality, safety, labor, and equity
- Contractor Responsibility Certification required
- Written notice of selection, ranking, or rejection
- Applies across all departments, not just DOTI



Types of Contracts & Regulations

The ordinance is designed as a phased approach. Construction comes first; services will follow in a later phase.

PHASE 1 · CONSTRUCTION

01

Public works, construction, alteration, and maintenance contracts

Amends Chapter 20, Article IV, Division 1 — Section 20-56 of the Denver Code. This is the first piece of BVC legislation.

PHASE 2 · SERVICES (FUTURE)

02

City service contracts — scope to be finalized

Working with the Administration to define the scope and definition of "services" for a subsequent ordinance.

GOODS · NOT PART OF BVC

03

Goods are not part of the BVC process

Procurement of goods and commodities will not be included in the Best Value Contracting process.



Key Evaluation Criteria

Sec. 20-56(b)(3) — eight criteria that every BVC submission will be evaluated against.

A Legal Compliance

Licensing, taxes, wages, environmental laws — 5-year lookback.

B Financial Capacity

Bonding, insurance, bankruptcies, judgments, lawsuits.

C Past Performance

On-time delivery, budget adherence, quality, prior city evaluations.

D Workforce Practices

Local hire, registered apprenticeships, OSHA 10/30 training.

E Safety

Project-specific site safety plan addressing hazard prevention.

F Compensation & Benefits

Prevailing wages or higher; health and retirement benefits.

G Project Approach

Staffing, schedule, budget, innovation, and sustainability measures.

H Cost

Proposed fees, price, and cost-saving considerations.



Subcontractors, Enforcement & Appeals

Subcontractor List

- Bidder submits full subcontractor list with the bid
- Each listed subcontractor must provide the same certification
- Prime contractor collects and furnishes certifications to the City
- Non-compliant subcontractors cannot be used on the project

Verification

- Department manager reviews and may independently verify
- Failure to meet the standard = non-responsibility determination
- Manager may award to next-ranked bidder or re-solicit
- Manager must document the reasons in writing

Appeals & Emergencies

- Bidders deemed non-responsible receive notice and appeal rights
- Appeal goes to the Chief Procurement Officer or designee
- Appeal officer's determination is final
- Emergency waiver allowed with written justification

Sec. 20-58(b) — (e) in the ordinance draft



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Adams County & Lessons Learned

Higher Quality

Improved project quality and lifetime value — fewer defects and rework.

Baseline Standards

Ensures contractors consistently meet baseline qualifications before award.

Safer Job Sites

Strong emphasis on safety and workforce development reduces injury rates.

Talent Pipeline

Apprenticeship participation grows the local skilled workforce over time.



Implementation: Adams County

- Adopted in August 2014 to guide procurement for major construction projects
- Applies to new builds and major remodels valued at \$1 million or more
- Focuses on higher construction quality to reduce long-term project costs
- Encourages the use of highly qualified, well-trained contractors for strong project outcomes
- Built around objective, transparent scoring — protecting against subjective decisions



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Why This Matters Now

Our opportunity is to ensure Denver's values are reflected in every contract the City signs.

Quality & Safety

Protect long-term value, reduce defects, and prioritize safe job sites over the cheapest bid.

Local Economy

Uplift MWBEs, small businesses, apprentices, and local hiring pipelines.

Climate & Equity

Align procurement with Denver's climate goals, prevailing wages, and wage equity.

Public Trust

Build transparency into how Denver spends billions in bond and CIP dollars.

Denver has a long list of CIP projects ahead — the standard we set today will shape outcomes for decades to come



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The Opportunity

Denver is preparing to deploy a historic pipeline of capital spending. BVC ensures those dollars deliver lasting public value.

Bonds

Upcoming General Obligation bond allocations across infrastructure, public safety, and facilities.

CIP

A long list of Capital Improvement Projects touching parks, transportation, housing, and utilities.

Services

A future phase covering city service contracts — building on the construction foundation.



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Stakeholder Engagement

Contractors & Labor

- Roundtables with large, medium, and small contractor companies
- Dedicated MWBE business roundtables
- Trade unions and labor justice advocacy groups
- Individual briefings for Councilmembers and the Administration
- One-on-ones with stakeholders unable to attend group sessions

Small Business & MWBE

- Structured listening sessions in community settings
- Multilingual materials — Spanish, Vietnamese, , and more
- Technical assistance for firms new to city procurement
- "How to Submit a Competitive BVC Bid" workshop series
- Liaison relationships with chambers and trade associations

Public Engagement

- Neighborhood town halls across all council districts
- Hybrid participation — virtual + in-person
- Vendor outreach events
- Public comment opportunities at committee and full council

Digital & Media

- Multilingual FAQ and one-pager distribution
- Social media campaign across city channels
- Coordination with traditional media outlets and community press



Outreach Plan Goals

Our community engagement plan is designed to:

- Build understanding and reduce confusion around the BVC process
- Hear feedback from all affected parties — contractors, workers, small businesses, unions
- Ensure Denver's values are reflected in procurement
- Secure equitable access to bidding opportunities
- Reach underrepresented small businesses and MWBEs
- Gather community-driven insights throughout the drafting process



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Questions & Discussion

We welcome your input on these open questions:

1 Is anything missing from the engagement list?

2 Are there other types of contracts that should be considered?

Thank You.



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