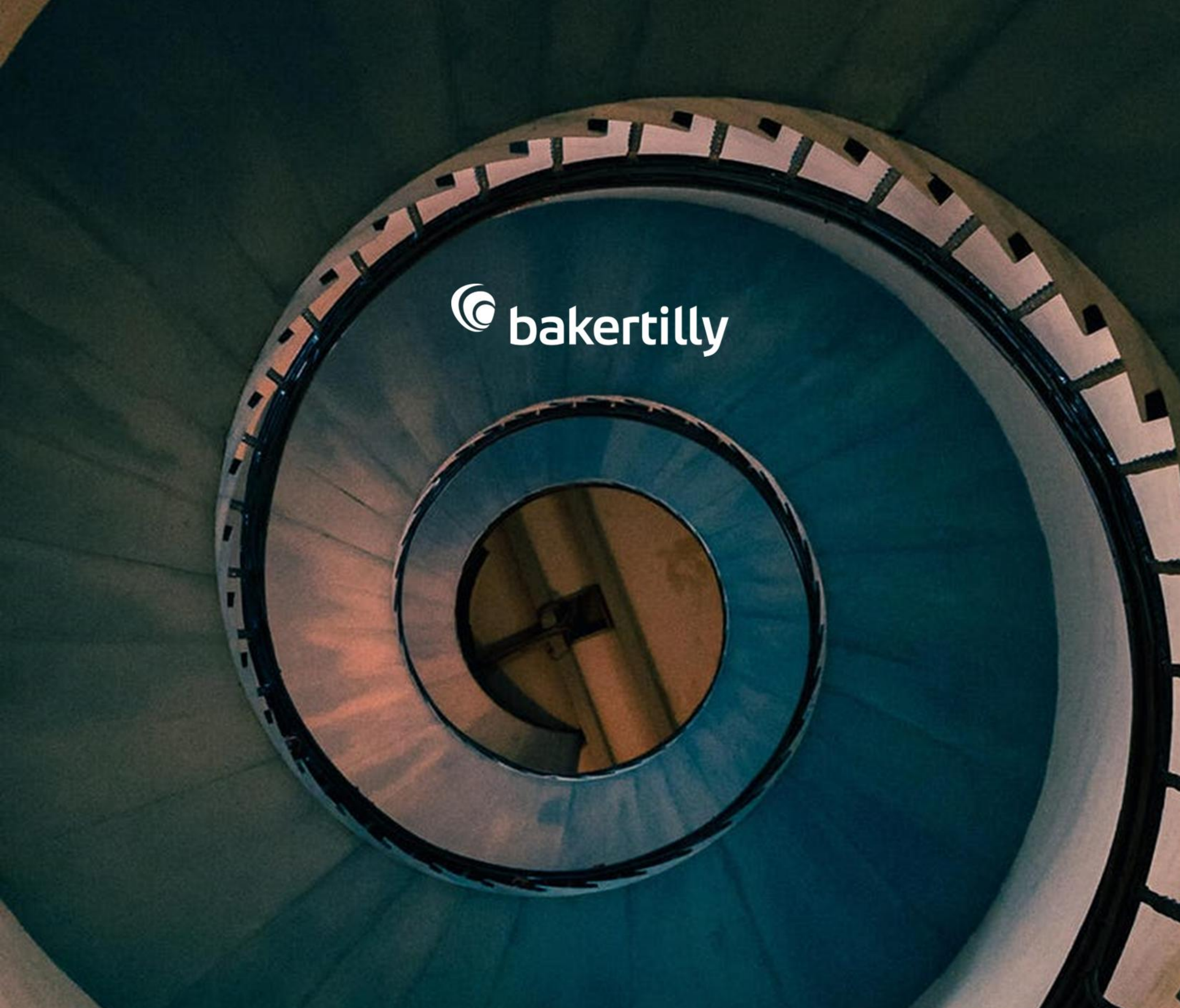

*As of June 3, 2025, Moss Adams LLP has merged with Baker Tilly.*

*Proprietary & Confidential*

FINAL REPORT

# City of Santa Fe

## PROCUREMENT PROCESS REVIEW

September 9, 2026

Baker Tilly Advisory Group, LP

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# I. Executive Summary

## A. Introduction

The City of Santa Fe (the City) engaged Baker Tilly Advisory Group LP (Baker Tilly) to conduct a detailed review and evaluation of the City's procurement process as a follow-up to a prior assessment released in May 2025. The primary goals of this project included the following:

- Analyze existing procurement processes and procedures to evaluate whether they reflect best industry practices for operational efficiency and effectiveness.
- Evaluate options to continue following or departing from the state procurement code.
- Assess the current procurement structure for optimal positioning along the centralized-to-decentralized continuum to best support organizational objectives.

An important part of our review focused on evaluating current procurement processes to identify workflow impediments and delays and develop actionable recommendations to improve efficiency. Toward this end, Baker Tilly conducted process mapping sessions and an in-depth analysis of the workflows related to formal request for proposals (RFP) processes that require Governing Body approval and execution of a written agreement. These sessions were instrumental in informing recommendations for significant changes to procurement policies and procedural workflows.

## B. Summary of Observations and Recommendations

The City has established a strong foundation for procurement improvement through investments in technology, ongoing process enhancements, and effective collaboration between the Central Purchasing Division (Purchasing) and user departments. However, opportunities remain to address inefficiencies caused by fragmented processes, decentralized responsibilities, communication challenges, training gaps, and an uncoordinated technology landscape.

This report recommends a comprehensive transformation focused on greater consolidation of procurement ownership, clarified roles and responsibilities, enhanced staffing and training, standardized processes, modernized policies, and a more integrated technology strategy. Recommendations are organized into four areas: process mapping improvements, procurement operating model and centralization, assessment of the continued application of the state procurement code, and other supporting improvement opportunities.

With sustained leadership commitment and cross-departmental collaboration, implementation of these recommendations will help the City improve efficiency, compliance, transparency, and service delivery while advancing toward a more centralized, standardized, and strategically enabled procurement function.

| OBSERVATIONS AND RECOMMENDATIONS | | |
|---|---|---|
| **Recommended Improvements Associated with Process Mapping** | | |
| **1.** | **Observation** | The City does not have a formalized pre-solicitation phase process to facilitate adequate and timely planning for solicitations. The absence of such a process creates workload pressures and missed opportunities for early collaboration. |
| | **Recommendation** | A. Establish meeting cadences with departments prior to annual budget adoption to discuss and prioritize planned procurements.<br>B. Require departments to submit look ahead forecasts for significant anticipated procurements to increase awareness of anticipated procurement needs.<br>C. Encourage all departments to schedule procurement planning meetings prior to finalizing scopes of work. |
| **2.** | **Observation** | City departments do not consistently employ internal workflow review and approval processes for preparing scopes of work and specifications, which results in incomplete or incorrect scopes that cause downstream process delays and require unnecessary iterative steps to address. |
| | **Recommendation** | A. Ensure all departments follow a standard review and approval framework for preparing scopes of work and specifications.<br>B. Develop procedural guidelines and reference materials to facilitate and sustain implementation and promote best practices for preparing scopes of work and specifications. |
| **3.** | **Observation** | Responsibility for service determinations, State Use Act compliance, and evaluating alternative sourcing methods is fragmented between user departments and Purchasing, resulting in inconsistent application of procurement requirements, unnecessary process delays, and missed opportunities to use more efficient procurement methods. |
| | **Recommendation** | Simplify the services determination process and transfer the responsibility for facilitating State Use Act compliance and researching alternative sourcing methods to Purchasing to facilitate process consistency and efficiency. |
| **4.** | **Observation** | User departments are responsible for coordinating pre-proposal conferences and preparing evaluation summaries following vendor selection. Because these activities require consistent application of procurement procedures and documentation standards, decentralized responsibility results in process inconsistencies, inefficiencies, and role confusion. |
| | **Recommendation** | Transfer responsibility for coordinating pre-proposal conferences and preparing evaluation summaries to Purchasing to improve consistency, process integrity, and efficiency during the solicitation phase. |

| OBSERVATIONS AND RECOMMENDATIONS | | |
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| 5. | **Observation** | Contract negotiation and preparation responsibilities are decentralized to user departments, resulting in inconsistent contract development practices, unnecessary iterative review, and extended processing times. |
| | **Recommendation** | Centralize the contract negotiation and preparation phases within Purchasing to improve workflow consistency, contract quality, and process efficiency. |
| 6. | **Observation** | The current contract negotiation and preparation workflow relies on sequential activities, multiple handoffs, and iterative review cycles that result in unnecessary delays and extended contract processing times. |
| | **Recommendation** | Restructure the contract negotiation and preparation workflow to eliminate unnecessary handoffs, streamline negotiations, and improve coordination among Purchasing, user departments, vendors, and the City Attorney's Office. As part of this restructuring, transfer responsibility for routing contracts for vendor signature to Purchasing. |
| 7. | **Observation** | The Purchasing Memo review and approval process for contracts requiring Governing Body approval relies on multiple review layers, extensive routing, and two technology platforms, resulting in unnecessary administrative effort and extended processing times. |
| | **Recommendation** | Restructure the Purchasing Memo review and approval process to streamline workflow, eliminate unnecessary administrative steps, and improve process efficiency while maintaining appropriate governance and internal controls. |
| 8. | **Observation** | The City Manager is not included in the review process for contracts requiring Governing Body approval, limiting administrative oversight and increasing organizational, fiscal, and operational risk. |
| | **Recommendation** | Include the City Manager in the Purchasing Memo review and approval process for contracts requiring Governing Body approval to strengthen administrative oversight, stewardship of public resources, and organizational coordination. |
| 9. | **Observation** | The City has not established a comprehensive process integrity framework for competitive sealed proposal evaluations and contract negotiations. The Procurement Code does not clearly assign responsibility for conducting negotiations, and the Procurement Manual does not establish procedures for protecting confidential procurement information and identifying conflicts of interest during the evaluation and negotiation process. |

| OBSERVATIONS AND RECOMMENDATIONS | | |
|---|---|---|
| | **Recommendation** | Update the City's Procurement Code and Procurement Manual to establish a comprehensive process integrity framework for competitive sealed proposal evaluations and contract negotiations by assigning responsibility for conducting negotiations to the Chief Procurement Officer or designee and implementing procedures to protect confidential procurement information and address conflicts of interest. |
| **10.** | **Observation** | Greater clarity is needed in the City's governing documents to distinguish contract approval or award authority from contract execution authority and identify the officials responsible for each function. |
| | **Recommendation** | Update the City Code of Ordinances to clearly distinguish contract award authority from contract execution authority and explicitly establish contract execution authority for the City Manager, with authority to further delegate execution of designated contracts to the Chief Procurement Officer or other appropriate designee(s). |
| **Procurement Operating Model and Level of Centralization** | | |
| **11.** | **Observation** | Purchasing is not currently staffed or structured to assume the additional procurement responsibilities recommended in this report. |
| | **Recommendation** | A. Conduct a comprehensive workload analysis to determine the staffing, roles, and organizational structure needed to support the recommended procurement operating model.<br>B. Add interim Purchasing staffing capacity to support workflow transitions, implement process improvements, and maintain service levels while the workload analysis is completed. |
| **12.** | **Observation** | Over time, procurement responsibilities that are more appropriately performed by Purchasing transitioned to user departments, contributing to role confusion, inconsistent application of procurement policies and procedures, and process inefficiencies across the procurement cycle. |
| | **Recommendation** | Restore the intended balance of the City’s hybrid procurement model by returning selected procurement responsibilities to Purchasing that are more appropriately performed centrally. |
| **13.** | **Observation** | Procurement-related responsibilities within user departments are often distributed across multiple staff members without a designated point of accountability, contributing to inconsistent application of procurement policies and procedures and inefficient coordination with Purchasing. |

| OBSERVATIONS AND RECOMMENDATIONS | | |
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| | **Recommendation** | Establish a formal Purchasing liaison program by designating trained departmental procurement points of contact to improve accountability, coordination, and consistency across the procurement process. |
| **Assessment of Continued Application of State Procurement Code** | | |
| **14.** | **Observation** | The City's home-rule authority provides the flexibility to adopt, modify, or depart from provisions of the state procurement code. Exercising that flexibility requires careful evaluation of the operational, governance, and policy implications of each proposed change. |
| | **Recommendation** | Evaluate additional departures from the state procurement code on a case-by-case basis and in conjunction with recommended improvements to ensure operational impacts are understood. |
| **Other Supporting Opportunities for Improvement** | | |
| **15.** | **Observation** | Departments do not receive consistent, role-based procurement training, contributing to inconsistent application of procurement requirements, submission errors, and increased reliance on reactive support from Purchasing. |
| | **Recommendation** | Implement a structured, role-based Purchasing training program to improve consistency and capability. |
| **16.** | **Observation** | Procurement-related changes are not communicated through a consistent, proactive change management process, resulting in confusion, inconsistent adoption, and process inefficiencies. |
| | **Recommendation** | Implement a structured change management and communication framework to improve awareness, adoption, and consistent implementation of procurement-related changes. |
| **17.** | **Observation** | Procurement technology is fragmented, creating duplicate work, manual processes, and administrative inefficiencies. |
| | **Recommendation** | Develop a coordinated procurement technology strategy that evaluates opportunities to consolidate systems, improve integration, standardize workflows, and strengthen governance of procurement-related technology. |
| **18.** | **Observation** | The City does not maintain a formal procurement performance management program, limiting its ability to evaluate operational performance, demonstrate results, and drive continuous improvement. |

| OBSERVATIONS AND RECOMMENDATIONS | | |
|---|---|---|
| | **Recommendation** | Establish a procurement performance management program that measures, monitors, and reports KPIs to support operational decision-making and continuous improvement. |
| **19.** | **Observation** | The Procurement Manual was last updated in 2020 and lacks procedural guidance in some areas, resulting in inconsistencies and increased confusion around purchasing processes. |
| | **Recommendation** | Update the Procurement Manual and establish a process for maintaining it to reflect policy and procedural changes, incorporate procurement best practices, and provide clear, user-friendly guidance to City staff. |

# II. Introduction

## A. Background

As part of the fiscal year 2026 internal audit program, Baker Tilly conducted a procurement process review to assess purchasing policies, procedures, and processes to evaluate opportunities to streamline operations and enhance efficiency. This engagement was intended to be a detailed follow-up to the 2025 Procurement Operational Review (released in May 2025), which identified recommendations for improvements grouped in four categories: people, performance, processes, and systems.

This engagement builds on the previous operational review by providing detailed process mapping and further evaluating key topics identified in the earlier assessment. Specifically, this review focuses on comparing existing processes and procedures to best practices, evaluating options to continue following or depart from the state procurement code,[1] and assessing the current procurement structure for optimal positioning along the centralized-to-decentralized continuum to best support organizational objectives. References to the 2025 engagement are made in this report where appropriate.

### PURCHASING FUNCTION

The City's procurement function is managed by Purchasing within the Finance Department (Finance). Purchasing is overseen by a Chief Procurement Officer and includes two Procurement Managers, a Contracts Supervisor, a Senior Procurement Analyst, and a Contractor.

The procurement function is centralized by policy, but user departments are responsible for performing certain purchasing-related tasks. This structure represents a hybrid procurement model that falls between complete centralization, in which the Central Purchasing Division performs all procurement functions, and complete decentralization, in which departments perform all procurement functions while Purchasing provides policy oversight and monitors procedural compliance. In this structure, Purchasing is responsible for administering formal competitive solicitations and provides procurement policy, procedural oversight, and guidance, while user departments perform certain procurement-related tasks related to both lower- and higher-value purchases and contract administration activities.

The City uses several technology systems and tools to facilitate procurement processes, including OpenGov, Tyler Munis, Adobe Sign, JotForm, Box, CivicPlus, and Microsoft applications.

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[1] To help distinguish between the New Mexico Procurement Code and the Santa Fe Procurement Code, references throughout the report to the state code will be lowercase while references to the City Code will be uppercase.

## B. Scope and Methodology

Baker Tilly conducted this process review between February and July 2026. Our engagement consisted of the following four phases:

| | PHASE | DESCRIPTION |
|---|---|---|
| 1 | **Project Initiation and Management** | This phase concentrated on comprehensive planning and project management, including identifying employees to interview, participants for process mapping, and documents to review; communicating results; and providing regular updates on project status. |
| 2 | **Fact-Finding** | This phase included interviews, document review, and process mapping.<br>• **Interviews:** We conducted ten stakeholder interviews with 12 leaders and staff members from eight departments/divisions and held three discussions with Purchasing leaders to prepare current state process maps.<br>• **Document Review:** We reviewed a variety of documents, data, and information provided by the City, including procurement policies and manuals, how-to documents, job descriptions, departmental procurement authority matrices, procurement training materials, existing process maps, organizational charts, state procurement code requirement, and various procurement-related forms and templates.<br>• **Process Mapping:** We facilitated two cross functional mapping sessions to verify existing workflows and generate ideas for future state designs. |
| 3 | **Analysis** | Based on the information gained during our fact-finding phase, we compared current purchasing policies, practices, and procedures to industry standards and best practices and conducted research on the New Mexico state procurement code. Based on our analysis and research, we identified potential areas for improvement and developed actionable recommendations. |
| 4 | **Reporting** | We communicated the results of our analysis with observations and recommendations presented first in a draft report that was reviewed with management to confirm the practicality and relevance of recommendations before finalizing the report. |

## C. Commendations

Although the focus of this assessment was to identify opportunities for operational improvements within the procurement function, we noted the following areas of strength and existing good practices that can be leveraged for further improvement:

- **Strong Commitment to Improvement and Modernization:** Purchasing leadership is widely recognized for actively working to improve processes and modernize the function. Stakeholders noted ongoing and planned efforts to refine workflows, update policies and procedures, introduce new tools, and address long-standing challenges, demonstrating a clear commitment to continuous improvement.

- **Highly Collaborative and Accessible Procurement Team:** Many departments highlighted the Purchasing team as approachable, responsive, and willing to support departments through complex procurements. This strong partnership orientation has helped build trust and improve outcomes for departments that engage early and often.
- **Successful Implementation of OpenGov:** The rollout of OpenGov has enhanced visibility, tracking, and overall process efficiency. Stakeholders reported improved organization of procurement activities, better management of solicitation timelines, and reduced errors compared to legacy systems.
- **Flexibility in Procurement Methods and Tools:** Departments leverage a variety of procurement strategies such as cooperative agreements, statewide price agreements, and different solicitation types to meet operational needs. This flexibility enables the City to adapt to diverse purchasing scenarios and funding requirements.
- **Dedicated and Experienced Staff Across Departments:** Across both Purchasing and user departments, staff members demonstrate strong institutional knowledge and a willingness to collaborate. Many stakeholders expressed appreciation for the expertise and dedication of their peers, particularly in navigating complex procurement requirements.
- **Emerging Focus on Training and Stakeholder Engagement:** Purchasing has begun implementing recurring training sessions, office hours, and knowledge-sharing opportunities, signaling a proactive approach to addressing gaps in understanding and fostering stronger alignment across departments.

# III. Observations and Recommendations

The City has demonstrated a clear commitment to strengthening its procurement function, as evidenced by recent investments in technology, ongoing process improvements, and strong collaboration between Purchasing and user departments. These efforts provide a solid foundation upon which to build a more efficient, consistent, and strategically aligned procurement operation.

At the same time, this review highlights several systemic challenges that, if addressed, present a meaningful opportunity to transform procurement into a more streamlined, collaborative, and customer-focused function. Key issues were identified including inconsistent communication, complex and fragmented processes, decentralized responsibilities, training gaps, and the lack of a coordinated technology strategy, which collectively contribute to inefficiencies, delays, and variability in outcomes across departments.

The recommendations outlined in this report are designed to address these challenges holistically. Central to this transformation is transferring certain procurement-related tasks currently performed by user departments to Purchasing, supported by clear partnership-based roles and responsibilities, strengthened staffing capacity, and the establishment of structured planning, training, and change management frameworks. Equally important is the need to simplify and standardize workflows, modernize policies to reflect best practices, and rationalize the current technology landscape to better support end-to-end procurement processes.

Recommendations are grouped into four categories:

- Recommended improvements associated with process mapping
- Procurement operating model and level of centralization
- Assessment of continued application of state procurement code
- Other supporting opportunities for improvement

Successful implementation of these recommendations will require sustained leadership commitment, cross-departmental collaboration, clear accountability for assigned roles and responsibilities, and a phased, well-governed approach to change. By prioritizing high-impact improvements such as consolidating procurement functions, restructuring contract development workflows, and implementing coordinated training and technology strategies, the City can achieve early wins while building momentum for longer-term transformation.

Ultimately, advancing toward a more centralized, standardized, and strategically enabled procurement model will position the City to improve operational efficiency, enhance compliance and transparency, reduce administrative burden, and better deliver value to its community.

## A. Recommended Improvements Associated with Process Mapping

In collaboration with the City project team, it was determined that process mapping would focus on formal requests for proposals (RFPs) for services requiring Governing Body approval because this process presented significant opportunity to identify operational improvements. The mapping sessions identified operational efficiencies and process inconsistencies across the procurement lifecycle. The mapping sessions examined end-to-end process steps across the following phases of the procurement cycle:

- Pre-solicitation (procurement planning)
- Solicitation
- Contract negotiation and preparation
- Contract review, approval and execution

Current-state and future-state process maps developed during the engagement are included in Appendix A and Appendix B, respectively. These maps document the procurement workflows analyzed during the engagement and illustrate the recommended future-state workflows resulting from the process improvements identified through the mapping analysis.

The process mapping analysis identified the operational inefficiencies, inconsistencies, and improvement opportunities discussed throughout this section. Accordingly, the observations and recommendations that follow are organized by the procurement cycle phases identified above and correspond to the current-state and future-state process maps included in Appendix A and Appendix B.

Implementing process improvements will require policy, procedural, structural, and technology systems changes to reflect best industry practices for optimized workflows. These changes are discussed throughout the other sections of the report.

Although process mapping focused on RFPs for services requiring Governing Body approval, many of the recommended workflow improvements are broadly applicable to other procurement methods and purchasing thresholds.

## PRE-SOLICITATION PHASE: PLANNING FOR SOLICITATIONS

| 1. | | |
|---|---|---|
| | **Observation** | **The City does not have a formalized pre-solicitation phase process to facilitate adequate and timely planning for solicitations. The absence of such a process creates workload pressures and missed opportunities for early collaboration.** |
| | **Recommendations** | **A. Establish meeting cadences with departments prior to annual budget adoption to discuss and prioritize planned procurements.**<br>**B. Require departments to submit look ahead forecasts for significant anticipated procurements to increase awareness of anticipated procurement needs.**<br>**C. Encourage all departments to schedule procurement planning meetings prior to finalizing scopes of work.** |

Effective procurement planning prior to conducting a solicitation is a best practice that promotes interdepartmental collaboration, increases awareness of workload demands, and facilitates process efficiency and understanding of appropriate purchasing procedures. Cities that implement procurement planning procedures that facilitate early engagement with key process stakeholders tend to develop collaborative working relationships that lead to better outcomes with solicitation processes.

Currently, neither Purchasing nor user departments employ best practice pre-solicitation methods to efficiently and effectively plan for the procurement of services. For example, user departments do not routinely engage Purchasing to discuss upcoming procurements prior to scope development or provide insights on the timing or importance of anticipated solicitations. The lack of visibility can create workload pressures when requests are submitted, especially for services that are urgently needed or otherwise need to be procured on shortened timelines.

Routine and early engagement also provides opportunities for Purchasing to make basic decisions about solicitation methods and types of required services and help identify points of collaboration that may need to occur with key process stakeholders, increasing efficiency. Such engagement also helps foster broader understanding of purchasing policies and procedures.

### Recommendation

To promote interdepartmental collaboration, increase awareness of workload demands, facilitate process efficiency, and facilitate understanding of policy and procedural requirements, the following structure is recommended:

- **Scheduled meeting cadences to prioritize solicitations.** Prior to annual budget adoption, Purchasing should schedule meetings with City department representatives to discuss and prioritize planned procurements for the upcoming year and address potential workload and timing challenges.
- **Look ahead forecasts for increased awareness.** User departments should provide Purchasing with advance visibility into anticipated procurements, ideally 6–12 months before a solicitation is

expected, particularly for complex, high-value, time-sensitive, politically sensitive, or health and safety-related procurements. Early awareness provides several important benefits, including:

  - *Budget Coordination:* Large capital purchases and other significant procurements are often identified well in advance through the City's capital planning and budgeting processes. Providing Purchasing with early visibility into these anticipated procurements enables proactive planning and coordination before formal procurement activities begin.
  - *Workload Planning:* Advance notice enables Purchasing to anticipate workload demands, prioritize procurements, and schedule resources to reduce potential bottlenecks.
  - *Proactive and Strategic Sourcing:* Advance notice provides an opportunity for Purchasing to perform early market research to identify prospects or to evaluate opportunities to aggregate similar purchases across departments to obtain volume discounts and leverage economies of scale.
  - *Vendor Relationships:* Anticipated procurements can be published on the City's OpenGov platform to provide the vendor community with early notification, which provides lead time to assess potential business opportunities and strategic partnerships.

- **Procurement planning prior to finalizing scope development.** As reflected on the future state process map, immediately following initial scope development (the first process step), and before finalizing the scope of work, user departments should schedule a planning meeting with the Chief Procurement Officer or designee. Such meetings are an effective means to:
  - Discuss needs, clarify policy and procedural requirements, identify sourcing methods and alternative options such as purchasing cooperatives or statewide price agreements, and set realistic expectations for solicitation process timing.
  - Preview scopes of work to identify potentially problematic scoping elements.
  - Make services determinations as required by state law (more fully described in Observation No. 3).
  - Identify points of collaboration with key process stakeholders that will be required during the procurement cycle.

By adopting these best practice methods, key insights can be gained prior to conducting a solicitation to help Purchasing and user departments understand mutual needs and facilitate workload planning, provide strategic insights on sourcing methods and options, enhance interdepartmental collaboration, and create awareness of policy and procedural requirements, which is especially helpful for staff members who do not routinely participate in competitive solicitations.

## PRE-SOLICITATION PHASE: SCOPE DEVELOPMENT

| 2. | | |
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| | **Observation** | **City departments do not consistently employ internal workflow review and approval processes for preparing scopes of work and specifications, which results in incomplete or incorrect scopes that cause downstream process delays and require unnecessary iterative steps to address.** |
| | **Recommendations** | **A. Ensure all departments follow a standard review and approval framework for preparing scopes of work and specifications.**<br>**B. Develop procedural guidelines and reference materials to facilitate and sustain implementation and promote best practices for preparing scopes of work and specifications.** |

Preparing concise scopes that are easily understood by prospective proposers is critical in public procurement to promote fair and open competition, establish clear service expectations, facilitate consistent vendor responses for ease of evaluation, mitigate risks associated with protest actions, and ensure best overall value is received.

Many local governments struggle with preparing effective scopes of work and specifications due to a lack of specialized knowledge and training, staffing shortages, heavy workloads, and resource constraints. The City experiences such challenges, which can lead to substantial processing delays and rework when developing solicitations and drafting contracts.

The City also does not have standard procedures that are consistently used by departments for the review and approval of scopes of work before they are sent to Purchasing. The absence of such quality control procedures contributes to scope errors that result in downstream delays during the procurement cycle.

### Recommendation

The City should adopt a consistent approach and framework for preparing scopes of work and validating their completeness before they are sent to Purchasing. Such a process will facilitate efficiency and effectiveness, foster and reinforce a quality control mindset, mitigate risk, and help to ensure best overall value is obtained.

This approach should include the following:

- **Ensure departmental review and approval of scopes of work.** To help ensure scopes of work are clear, concise, and complete, the following requirements/steps for user department review and approval are recommended:
  - Peer review by at least one department employee for informal, straightforward purchases and one level of approval.
  - Review and approval workflow for formal, complex, or politically sensitive procurements up to department director/designee level.

  - Review by other departments or external stakeholders as necessary or required.
  - Review by Purchasing before a request for a solicitation is formally submitted, as required.
- **Develop procedural and reference materials.** To help facilitate the implementation of a consistent review and approval framework, Purchasing can prepare and distribute a checklist that incorporates the steps outlined above.
  - For additional clarity, standard procedures can be incorporated in the Procurement Manual within a new section on preparing scopes of work and specifications, which is a best practice and notably absent from the current document. The update can be covered in upcoming Purchasing training and periodically thereafter.
- **Incorporate existing scope preparation resources into departmental procedures.** Departments should incorporate the use of existing OpenGov resources, including the scope library and scope generator, into their scope development processes to improve the completeness and quality of scopes submitted to Purchasing.

As another frame of reference, the Institute for Public Procurement's (NIGP) Center for the Advancement of Research and Excellence (CARE) publishes and updates global best practices that provide helpful information in all areas of public procurement. The following links are relevant to preparing scopes of work and specifications that may be useful for Purchasing to incorporate as reference material in training presentation and posted to its intranet site:

- Preparing Specifications
- Distinguishing Between Scopes of Work and Statement of Work
- Information Technology Software Procurement
- Market Research

Implementing a robust quality control process within departments to review scopes of work and specifications, augmented by ongoing guidance from Purchasing, will help ensure that scopes are concisely prepared before they are sent to Purchasing. Such procedures and guidance will help set clear service expectations, promote competition, facilitate process efficiencies, and mitigate risk.

## PRE-SOLICITATION PHASE: PROCUREMENT METHOD DETERMINATIONS

| 3. | | |
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| | Observation | **Responsibility for service determinations, State Use Act compliance, and evaluating alternative sourcing methods is fragmented between user departments and Purchasing, resulting in inconsistent application of procurement requirements, unnecessary process delays, and missed opportunities to use more efficient procurement methods.** |
| | Recommendation | **Simplify the services determination process and transfer the responsibility for facilitating State Use Act compliance and researching alternative sourcing methods to Purchasing to facilitate process consistency and efficiency.** |

Effective public procurement practices recognize that determining the appropriate procurement strategy—including determining whether a service is classified as a general or professional service, evaluating applicable statutory and policy requirements, and assessing and selecting sourcing methods—is a core procurement responsibility. These determinations should be performed or coordinated by central procurement to ensure policies and procedures are applied consistently, alternative sourcing methods are evaluated, and the organization obtains best value while maintaining compliance.

Currently, responsibility for these procurement determinations is divided between the Purchasing Division and user departments. Although Purchasing performs the initial services determination and provides guidance regarding applicable procurement requirements and sourcing options, user departments are responsible for completing portions of the State Use Act process and researching alternative sourcing methods. This fragmented approach creates unnecessary handoffs, results in inconsistent application of procurement requirements, and limits the City's ability to consistently identify the most appropriate procurement method before initiating a solicitation under a given sourcing method.

Currently, once a scope of work is drafted, user departments are required to send an email to Purchasing to request a “services determination” to determine whether the required service is *general* or *professional*, each designation having different connotations for solicitation and proposal evaluation methods and contractual terms and conditions.

An important reason for the services determination is to facilitate compliance with the State Use Act, which was adopted to provide meaningful employment opportunities for individuals with disabilities. The act requires public agencies to contact authorized nonprofit organizations before soliciting certain general or professional services to determine whether the required work can be performed at a fair market price by qualified organizations employing individuals with disabilities. When a qualified provider is identified, a competitive solicitation may not be required.

The services determination process is also used as a means by Purchasing to provide information on researching alternative sourcing methods such as statewide price agreements, existing contracts, or cooperative purchasing programs. The services determination process is further used to provide information on policy and procedural compliance and identify potential process stakeholders for the purpose of scope review.

Once a services determination response is provided by the Chief Procurement Officer, departments then review the list of qualified services maintained by the nonprofit organization that administers the State Use Act, Horizons of New Mexico (Horizons) and, when a potential match exists, coordinate directly with Horizons to determine whether a qualified provider is available. Horizons is allowed four business days to respond before the procurement may proceed through another procurement method. According to City staff, Horizons rarely identifies a qualified provider, and most procurements ultimately proceed through a competitive solicitation or another procurement method.

User departments are also responsible for researching whether services can be procured through existing contracts, statewide price agreements, or cooperative purchasing programs. These sourcing methods can eliminate the need for a competitive solicitation and improve procurement efficiency or provide fair pricing or favorable terms; however, they are not consistently researched across departments, increasing the risk that more efficient procurement methods, or those that provide best value, are overlooked. If a potential alternative sourcing method is identified, it must be reviewed and approved by Purchasing.

These responsibilities are well suited to Purchasing because they require specialized knowledge of procurement requirements, available sourcing options, and applicable laws and policies. Centralizing these determinations would promote consistent application of procurement requirements, reduce unnecessary process delays, and improve the City's ability to identify the most appropriate procurement method before initiating a solicitation.

### Recommendation

To promote consistent application of procurement requirements, improve process efficiency, and leverage Purchasing's procurement expertise, responsibility for facilitating State Use Act compliance and evaluating the appropriate sourcing method should be transferred from user departments to Purchasing. This responsibility includes a more efficient process for making service determinations.

**Conduct service determinations during procurement planning.**

The current process relies on email exchanges between user departments and the Chief Procurement Officer to determine whether the required service is general or professional for the purposes of determining competitive solicitation and evaluation methods or potential alternative sourcing methods, and for facilitating State Use Act compliance. Although these determinations are generally straightforward, the email process introduces unnecessary handoffs and delays, particularly when additional information is needed.

Instead, service determinations should be made during the procurement planning meeting recommended in Observation No. 1, or shortly thereafter if additional information is required. Determining the appropriate service type early in the procurement process will eliminate unnecessary delays and allow subsequent procurement activities to begin sooner.

**Centralize State Use Act compliance.**

Once Purchasing determines that the State Use Act applies, Purchasing should coordinate directly with Horizons of New Mexico rather than routing the process back through the requesting department. Purchasing is better positioned to administer this requirement because staff routinely interpret procurement requirements and are more familiar with the State Use Act process.

According to City staff, Horizons rarely identifies a qualified provider, meaning most procurements ultimately proceed through another procurement method. Centralizing this responsibility will eliminate unnecessary handoffs while ensuring consistent compliance with state requirements.

**Evaluate alternative sourcing methods early.**

Purchasing should also assume responsibility for evaluating whether services can or should be procured through existing contracts, statewide price agreements, or cooperative purchasing programs. Purchasing maintains greater familiarity with these procurement options and is therefore better positioned to identify opportunities that departments may not recognize.

Evaluating these alternatives at the outset of the procurement process, either in parallel with State Use Act compliance or during the procurement planning meeting, will improve consistency and increase the likelihood that the most efficient procurement method is selected before a competitive solicitation is initiated.

By consolidating these responsibilities within Purchasing, the City can standardize solicitation method determinations, reduce unnecessary process delays, improve compliance, and make more consistent use of alternative procurement methods where appropriate.

## SOLICITATION PHASE: PRE-PROPOSAL CONFERENCES AND EVALUATION SUMMARIES

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|---|---|---|
| **4.** | **Observation** | **User departments are responsible for coordinating pre-proposal conferences and preparing evaluation summaries following vendor selection. Because these activities require consistent application of procurement procedures and documentation standards, decentralized responsibility results in process inconsistencies, inefficiencies, and role confusion.** |
| | **Recommendation** | **Transfer responsibility for coordinating pre-proposal conferences and preparing evaluation summaries to Purchasing to improve consistency, process integrity, and efficiency during the solicitation phase.** |

Leading public procurement practices recognize that administration of the solicitation process, including vendor communications, coordination of pre-proposal conferences, and documentation of evaluation results, is a core procurement responsibility. Centralizing these activities within the procurement function promotes consistent procedural application, preserves the integrity and transparency of the competitive process, and ensures procurement documentation is complete, accurate, and sufficiently supports award decisions.

During the solicitation phase, user departments are responsible for several procurement-related activities that would be more effectively performed by Purchasing. Specifically, departments currently coordinate pre-proposal conferences and prepare evaluation summaries following vendor selection. Because these activities require consistent application of procurement procedures and documentation standards, decentralized responsibility results in process inconsistencies, inefficiencies, and increased procurement risk.

**Conduct pre-proposal conferences.**

Under the current process, user departments are responsible for coordinating and facilitating pre-proposal conferences, although Purchasing may lead these meetings at its discretion. In a centralized procurement function, these conferences are typically administered by the purchasing office because they serve as the formal mechanism for communicating solicitation requirements, responding to vendor questions, and ensuring all prospective proposers receive the same information.

When these conferences are facilitated by staff with varying levels of procurement experience, the quality and consistency of information provided can vary. Incorrect or incomplete information increases the likelihood for more question-and-answer exchanges or solicitation addenda than necessary, or schedule extensions or solicitation cancellations. More importantly, providing information to some prospective proposers but not others can compromise the fairness of the solicitation process and increase the risk of protest.

**Prepare evaluation summaries.**

Following vendor selection, Purchasing provides the evaluation committee report to a designated department representative, who prepares the evaluation summary before returning it to Purchasing for review. This process introduces an additional review cycle and can result in rework when corrections or clarifications are needed.

Evaluation summaries also serve as the official record supporting the vendor selection and may be subject to public disclosure. They must accurately summarize the committee’s evaluation while protecting confidential evaluator notes and other information exempt from disclosure. Preparing these summaries consistently requires familiarity with procurement documentation requirements and public records considerations.

Together, these responsibilities illustrate how assigning specialized procurement activities to user departments can create unnecessary process variability and additional administrative effort. Centralizing these functions within Purchasing would improve consistency, strengthen process integrity, and reduce unnecessary review and rework.

### Recommendation

To improve consistency, efficiency, and process integrity during the solicitation phase, responsibility for coordinating pre-proposal conferences and preparing evaluation summaries should be transferred to Purchasing. These activities are core procurement functions that benefit from consistent administration by staff with specialized procurement expertise.

**Centralize pre-proposal conferences.** Purchasing should assume responsibility for coordinating and facilitating pre-proposal (and pre-bid) conferences. These meetings provide vendors with a common understanding of the solicitation requirements, establish expectations for the procurement process, and ensure questions are addressed through a consistent addendum process.

Centralizing responsibility for pre-proposal conferences with Purchasing will promote consistent communication with prospective vendors, improve process integrity, and reduce procurement risk.

**Centralize preparation of evaluation summaries.** Purchasing should also assume responsibility for preparing evaluation summaries following vendor selection. Because Purchasing routinely administers competitive solicitations and maintains procurement records, it is better positioned to prepare these summaries consistently and accurately. Transferring this responsibility to Purchasing will streamline the workflow, improve consistency, reduce rework, and strengthen process integrity.

Both pre-proposal conferences and evaluation summaries are routine procurement activities that are better administered by Purchasing. Centralizing these responsibilities will reduce variability across departments, improve efficiency, and strengthen the consistency and integrity of the City's solicitation process.

## CONTRACT NEGOTIATION AND PREPARATION PHASES: ROLES AND RESPONSIBILITIES

| | | |
|---|---|---|
| **5.** | **Observation** | **Contract negotiation and preparation responsibilities are decentralized to user departments, resulting in inconsistent contract development practices, unnecessary iterative review, and extended processing times.** |
| | **Recommendation** | **Centralize the contract negotiation and preparation phases within Purchasing to improve workflow consistency, contract quality, and process efficiency.** |

Best practice public procurement programs establish clearly defined roles and responsibilities that assign contract negotiation and preparation to personnel with the appropriate knowledge and expertise. Standardized procurement practices, centralized oversight where appropriate, and consistent application of contract development procedures help ensure contract terms are effectively negotiated, documentation is accurate and complete, legal review is efficient, and the organization achieves best value while minimizing delays and administrative rework.

Contract negotiation and preparation responsibilities are currently decentralized to user departments, even though these activities require specialized procurement expertise and consistent application of procurement and contracting practices. As a result, contract development is characterized by inconsistent approaches, unnecessary iterative review, and extended processing times.

### Contract Negotiation

Responsibility for negotiating vendor contracts is currently decentralized to user department representatives. Following vendor selection, department representatives initiate two sequential clarification meetings with the selected vendor. The first meeting primarily focuses on confirming the scope of work, while the second focuses on contract cost. These meetings typically do not address contractual terms and conditions. Instead, those terms are discussed later through an iterative process after the department prepares a draft contract and submits it to the City Attorney's Office for review.

Department representatives have varying levels of experience negotiating contracts and must balance these responsibilities with their primary operational duties. As a result, approaches to negotiation vary across departments, and procurement-related activities may receive less immediate attention than core department responsibilities. According to process stakeholders, this contributes to extended cycle times, unnecessary clarification discussions, and missed opportunities to achieve the best overall value. The current process also requires the City Attorney's Office to coordinate with numerous department representatives when contractual terms and conditions must be negotiated. This creates more touchpoints than would occur if negotiations were coordinated through a smaller number of Purchasing staff.

Notably absent from this workflow is *any* involvement of Purchasing, which is inconsistent with procurement best practices. Negotiating best value contracts is a core procurement responsibility that professional buyers should be trained to perform. By excluding Purchasing from this phase, the City is not fully leveraging that expertise to clarify scope expectations and associated impacts on submitted pricing that require adjustment, and negotiate contractual terms and conditions, all of which support a best-value contract outcome.

### Contract Preparation

Responsibility for preparing draft contracts also rests with user departments. Following the clarification meetings, departments prepare the draft contract and simultaneously route it to the selected vendor and the City Attorney's Office for review (which is meant for provide guidance on negotiating vendor-requested changes to the City's standards terms and conditions). According to process stakeholders, these steps are not performed consistently and many vary based on department preference and the experience level of the department representative.

Process stakeholders indicated that approximately 90% of draft contracts contain errors when initially submitted. The most common issues, in order of frequency, include compensation-related mistakes, unclear scopes of work, incorrect number or letter formatting, improperly prepared amendments, and redlined contractual terms and conditions that could have been addressed during the negotiation phase.

These issues create additional review and correction cycles involving user departments, the selected vendor, and the City Attorney's Office, contributing to delays in the contract development process. They also require the City Attorney's Office to spend time identifying and correcting errors that are often administrative or procurement-related rather than legal in nature.

As with contract negotiation, Purchasing is not currently responsible for preparing draft contracts. Contract preparation is a core procurement function that benefits from consistent administration by staff familiar with procurement requirements, contract templates containing the City's standard terms and conditions, and the terms negotiated with the selected vendor. By not involving Purchasing in this phase, the City is not fully leveraging that expertise to prepare accurate and complete draft contracts, reduce rework, and support a more efficient transition into legal review and contract approval.

### Recommendation

To improve process efficiency, consistency, and contract quality, Purchasing should assume primary responsibility for the contract negotiation and preparation phases. Centralizing these core procurement tasks will create greater continuity throughout the contract development process, reduce unnecessary handoffs, and ensure procurement expertise is applied more appropriately. By consolidating contract negotiation and preparation within Purchasing, the City can realize several operational improvements:

- **Improve contract outcomes and support best value.** Purchasing staff routinely administer competitive solicitations and are well positioned to negotiate scope, pricing, and contractual terms and conditions in coordination with user departments and the City Attorney's Office. Applying this expertise consistently throughout the negotiation process will help support best-value contract outcomes.
- **Promote workflow continuity and efficiency.** Centralizing the contract negotiation and preparation phases within Purchasing will improve process continuity and efficiency by reducing the number of touchpoints and associated process steps. It will also establish a consistent point of coordination among user departments, vendors, and the City Attorney's Office, resulting in a more efficient contract development process.
- **Reduce error rates.** As noted, process stakeholders estimated that 90% of draft contracts contain errors when initially submitted. Many of these errors are administrative or procurement-related rather than legal in nature, yet still require involvement of the City Attorney's Office. Centralizing contract preparation within Purchasing will promote greater consistency in contract development, reduce errors and rework, and allow legal review to focus on approving contracts to form and legal sufficiency as required by law, rather than identifying preventable drafting errors requiring corrections.

The workflow changes described in Observation No. 6 below build upon this recommendation by restructuring the contract negotiation and preparation process to further streamline coordination, reduce delays, and improve overall process efficiency.

## CONTRACT NEGOTIATION AND PREPARATION PHASES: CONTRACT DEVELOPMENT WORKFLOW

| 6. | Observation | The current contract negotiation and preparation workflow relies on sequential activities, multiple handoffs, and iterative review cycles that result in unnecessary delays and extended contract processing times. |
|---|---|---|
| | Recommendation | Restructure the contract negotiation and preparation workflow to eliminate unecessary handoffs, streamline negotiations, and improve coordination among Purchasing, user departments, vendors, and the City Attorney's Office. As part of this restructuring, transfer responsibility for routing contracts for vendor signature to Purchasing. |

Contract negotiation and preparation practices in leading central procurement organizations promote efficient, standardized workflows that assign responsibilities to staff with appropriate expertise, eliminate unnecessary handoffs, minimize redundant reviews, and perform activities concurrently where appropriate.

As discussed in Observation No. 5, responsibility for negotiating and preparing contracts following competitive solicitation processes currently rests with user departments, who work directly with selected vendors and the City Attorney's Office throughout the contract development process. Most contracts are drafted using City Attorney-approved templates with standard terms and conditions; however, some procurements use vendor-provided templates that typically require more extensive negotiations. The figure below summarizes the current workflow, with **Steps 1–3** representing user department activities and **Steps 4–8** representing activities performed by, or require guidance from the City Attorney's Office.

## CURRENT WORKFLOW LED BY USER DEPARTMENTS TO PREPARE FOR CONTRACT REVIEW AND APPROVAL

**Step 1**

Following interviews, schedule and conduct first vendor clarification meeting to confirm scope.

**Step 2**

Conduct second vendor clarification meeting to discuss contract cost.

**Step 3**

Draft contract and send to City Attorney's Office for review.

**Step 4**

Perform initial contract review to identify routine errors for department correction.

**Step 5**

Provide guidance on negotiating contract terms following error correction.

**Step 6**

Provide additional guidance to finalize contract terms as required.

**Step 7**

Route contract to vendor for signature and begin contract approval workflow.

**Step 8**

Provide signature approval as to form and legal sufficiency.

Following vendor interviews, user departments conduct clarification meetings to confirm scope and discuss contract cost before preparing a draft contract. The draft contract is then submitted to the City Attorney's Office for an initial review intended to provide guidance on vendor-requested changes to the City's standard terms and conditions, but includes a process to correct administrative errors. After those errors are corrected by user departments and sent back to the City Attorney's Office, contracts are routed to an assigned attorney to determine whether negotiations on contractual terms and conditions are required. If required, the City Attorney's Office provides negotiation guidance to department representatives who work directly with the selected vendor to reach agreement on contract terms. Once agreement is reached, the Administrative Manager in the City Attorney's Office routes the contract to the vendor for signature. Upon its return, the City Attorney approves the contract as to form and legal sufficiency, confirming that it is appropriately drafted and legally sufficient. The contract then enters the City's administrative and Governing Body review and approval process.

This workflow is highly sequential, requiring each step to be completed before the next can begin. It also relies on multiple handoffs among user departments, the City Attorney's Office, and selected vendors, resulting in iterative review and negotiation cycles that extend contract processing times.

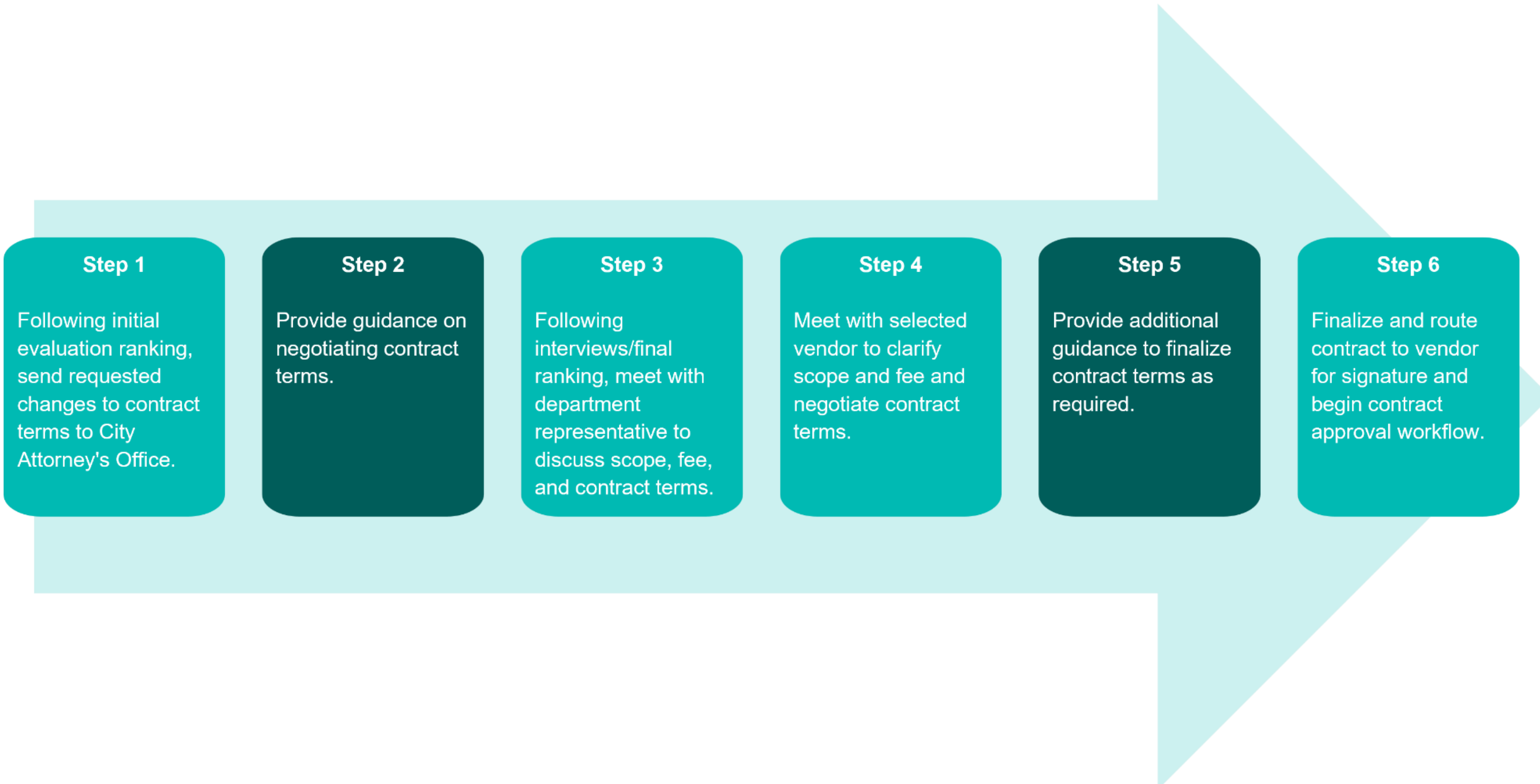
Interviewees and process mapping participants consistently identified the legal review and contract preparation phases as the longest, most frustrating, and least predictable phase of the solicitation to contract approval cycle, with processing times ranging from several days to several months. Stakeholders also cited substantial delays between the vendor clarification meetings and preparation of the draft contract, further extending the time required before contracts can enter the review, approval, and execution phases.

### Recommendation

To improve workflow efficiency and reduce unnecessary delays, the contract negotiation and preparation workflow should be restructured to eliminate unnecessary handoffs, move key activities earlier in the process, and establish Purchasing as the primary coordinator of contract development. Figure 2 illustrates the recommended future-state workflow. The discussion below highlights the principal workflow changes and the operational benefits associated with each.

Approval as to form and legal sufficiency is not shown in the figure below because, under the proposed workflow, it would occur at a later stage (as discussed below). In the proposed workflow, Steps 1, 3, 4, and 6 detail activities performed by Purchasing, and Steps 2 and 5 detail activities performed by or require guidance from the City Attorney's Office.

## PROPOSED WORKFLOW LED BY PURCHASING TO PREPARE FOR CONTRACT REVIEW AND APPROVAL



**Earlier review of vendor-requested changes to contract terms and conditions by the City Attorney.** Currently, the City Attorney's Office does not review vendor-requested changes to contract terms until all interviews have been completed and a draft contract has been prepared and administrative errors corrected. Under the proposed workflow, requested changes submitted by the highest-ranked proposers (those reasonably in line for contract award, generally no more than three) would be reviewed immediately following the initial evaluation of proposals and before vendor interviews. This earlier review would allow the City Attorney's Office to identify potential deal-breakers and other problematic contractual provisions before negotiations begin and provide guidance to Purchasing on issues that may require negotiation. Equipped with this guidance, Purchasing would be better positioned to negotiate contractual terms during the clarification meeting, increasing the likelihood that tentative agreement on contract terms can be reached earlier in the process and reducing the need for iterative negotiations later in the workflow.

**Consolidate scope, fee, and contract negotiations.** Following vendor selection, Purchasing should first meet with the user department to develop a negotiation strategy addressing scope, pricing, and requested changes to contractual terms and conditions. This preparation will enable a more focused clarification meeting with the selected vendor, increasing the likelihood that tentative agreement on scope, fee, and contract terms can be reached during a single meeting. Remaining issues can then be resolved through targeted follow-up discussions rather than additional formal meetings.

**Streamline routing of contracts for vendor signature.** Under the current workflow, the City Attorney's Office finalizes draft contracts and routes them to vendors for signature before returning the vendor-signed contracts to user departments to initiate the contract review and approval process.

Under the proposed workflow, Purchasing would finalize draft contracts, coordinate vendor signature using appropriate version controls, and retain the vendor-signed contracts to initiate the City's review and approval process. This change eliminates unnecessary handoffs, improves workflow continuity, and better aligns contract administration responsibilities within Purchasing.

**Move approval as to form and legal sufficiency.** Currently, the City Attorney approves contracts as to form and legal sufficiency before they are presented for Governing Body review and approval. This approval confirms that the contract is appropriately drafted and legally sufficient for execution. In many cities, attorney sign-off occurs later in the process—after Governing Body approval and immediately before the authorized City official executes the contract and legally binds the agency.

Under the proposed workflow, approval as to form and legal sufficiency would occur after Governing Body approval. This timing would better align legal sign-off with the point at which the contract is ready for final execution and with the proposed changes to the contract review and approval process described in Observation No. 7. It would also support the recommended involvement of the City Manager in the contract review and approval workflow discussed in Observation No. 8.

Improved consistency in contract negotiation and preparation, together with a corresponding reduction in drafting errors, should increase confidence in the accuracy of contracts presented for Governing Body consideration and help facilitate this change.

Collectively, these workflow changes reduce unnecessary handoffs, move key legal and procurement activities earlier in the process, and establish Purchasing as the central coordinator of contract negotiation and preparation. As a result, the City can streamline what interviewees and process mapping participants consistently identified as the longest, most frustrating, and least predictable phase of the procurement process.

## CONTRACT REVIEW, APPROVAL, AND EXECUTION PHASES: CONTRACT REVIEW AND APPROVAL WORKFLOW

| 7. | | |
|---|---|---|
| | Observation | **The Purchasing Memo review and approval process for contracts requiring Governing Body approval relies on multiple review layers, extensive routing, and two technology platforms, resulting in unnecessary administrative effort and extended processing times.** |
| | Recommendation | **Restructure the Purchasing Memo review and approval process to streamline workflow, eliminate unnecessary administrative steps, and improve process efficiency while maintaining appropriate governance and internal controls.** |

Administrative review processes should be streamlined to avoid duplicative review activities, use integrated workflow technology, and facilitate timely decision-making while maintaining appropriate internal controls and accountability.

The City's contract review and approval process for contracts requiring Governing Body approval includes multiple layers of administrative review and approval before contracts are presented to the Governing Body. User departments initiate the process by preparing a Purchasing Memo that summarizes the procurement, verifies funding, recommends contract award, and incorporates supporting documentation. The Purchasing Memo is then routed from the user department to Purchasing, Budget, back to Purchasing, impacted departments, Finance, and finally the City Clerk before Committee and Governing Body consideration. Notably absent from this workflow is review and approval by the City Manager as the City’s Chief Administrative Officer.

Additionally, the Finance Director verifies contract funding by signing both the Purchasing Memo and the contract, creating a duplicative approval activity because funding verification is already documented through the Purchasing Memo. Contracts are also routinely reviewed by at least one Council Committee, and often multiple Committees, before being presented to the Governing Body, adding additional review layers to the approval process.

In addition to extensive routing, the workflow spans two technology platforms, OpenGov for staff-level review and CivicPlus for Committee and Governing Body review, requiring additional administrative coordination. The workflow also excludes review by the City Manager as the City's Chief Administrative Officer, while contracts are routinely reviewed by one or more Council Committees before being presented to the full Governing Body.

As a result, the process relies on numerous routing steps, multiple review layers, fragmented technology, and duplicative approvals that extend processing times without consistently adding value. Stakeholders indicated that excessive approval routing, duplicative reviews, and a reliance on senior leadership to perform transactional quality control are among the primary contributors to delays in the contract approval process.

### Recommendation

To improve process efficiency while maintaining appropriate governance and internal controls, the City should streamline the Purchasing Memo review and approval processes for contracts requiring Governing Body approval by restructuring workflows and eliminating unnecessary administrative steps. Restructuring the workflow includes consolidating procurement-related responsibilities within Purchasing and reorganizing the Purchasing Memo review process. Eliminating unnecessary steps includes consolidating technology platforms, simplifying funding verification, and eliminating redundant Committee review.

**Restructure workflows.**

- **Consolidate procurement responsibilities.** Under the proposed workflow shown in Appendix B, Purchasing would prepare and initiate the Purchasing Memo review and approval process. User departments would continue to provide the relevant project background information.
- **Reorder Purchasing Memo review workflow.** Under the proposed workflow shown in Appendix B, Purchasing would initiate the Purchasing Memo and route it to the user department, impacted departments, Budget, Finance, City Manager, and City Clerk. Reordering the workflow will streamline routing, improve coordination between Budget and Finance when evaluating funding availability and overall fiscal impacts, and incorporate City Manager review before contracts are presented for Governing Body consideration.

**Eliminate unnecessary steps.**

- **Consolidate Technology Platforms.** In many local governments, contract review and approval occurs within a single agenda management platform. To improve workflow efficiency, the City should consider using CivicPlus for contract review and approval.
- **Simplify funding verification.** Modify the Purchasing Memo to include a fiscal impact or similar section that documents funding availability and eliminate the Finance Director's contract signature as a funding verification step.
- **Eliminate Committee review.** The City has already begun evaluating opportunities to streamline Committee review of administrative matters, including contracts, through a March 2026 Governing Body Study Session. To improve process efficiency while maintaining Governing Body oversight, the City should eliminate routine Committee review of contracts prior to Governing Body consideration.

## CONTRACT REVIEW, APPROVAL, AND EXECUTION PHASES: ADMINISTRATIVE OVERSIGHT

| 8. | | |
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| | **Observation** | **The City Manager is not included in the review process for contracts requiring Governing Body approval, limiting administrative oversight and increasing organizational, fiscal, and operational risk.** |
| | **Recommendation** | **Include the City Manager in the Purchasing Memo review and approval process for contracts requiring Governing Body approval to strengthen administrative oversight, stewardship of public resources, and organizational coordination.** |

Under the current Purchasing Memo review and approval workflow at the staff level, contracts requiring Governing Body approval (greater than $200,000) are not reviewed by the City Manager or anyone else in the City Manager's Office. Instead, contracts proceed through the administrative review process and are presented directly to the Governing Body for approval. Following Governing Body approval, the Mayor executes the contract on behalf of the City.

The City's charter establishes a strong mayor form of government in which the Mayor serves as the City's Chief Executive Officer and the City Manager as the Chief Administrative Officer. While the Mayor retains executive authority, there are compelling administrative reasons for including the City Manager in the Purchasing Memo review and approval process for contracts requiring Governing Body approval. Including the City Manager in the Purchasing Memo review and approval process would provide an additional level of administrative oversight before contracts are presented to the Governing Body. This review would strengthen stewardship of public resources, improve coordination across departments, enhance fiscal and operational oversight, and provide an additional opportunity to identify and address organizational risks before contract awards are considered by elected officials.

### Recommendation

To strengthen administrative oversight while preserving the Mayor's executive authority and the Governing Body's policymaking responsibilities, the City Manager should be included in the Purchasing Memo review and approval process for contracts requiring Governing Body approval. City Manager approval would provide an additional level of administrative oversight before contracts are presented to the Governing Body and support more informed decision-making.

Including the City Manager in the review process would provide the following benefits:

- **Strengthen administrative oversight and quality assurance.** Review by the City Manager would help ensure Purchasing Memos are accurate, complete, and supported by sound analysis before contracts are presented to the Governing Body. It would also provide an opportunity to confirm compliance with procurement requirements and identify operational, financial, or reputational risks before contracts proceed for approval.
- **Improve fiscal stewardship and organizational coordination.** City Manager review would help confirm funding availability, evaluate broader operational and fiscal impacts, and ensure that affected departments have been appropriately consulted. This review would also provide an

opportunity to identify future operational or funding considerations associated with the proposed contract.

- **Promote alignment with Governing Body priorities**. As the City's Chief Administrative Officer, the City Manager is well-positioned to evaluate whether proposed contracts support the Governing Body's adopted priorities, policies, and service delivery objectives and to identify broader organizational implications before contracts are presented for approval.
- **Improve Governing Body support and transparency.** Reviewing Purchasing Memos before Governing Body consideration will better prepare the City Manager to answer questions from elected officials and members of the public regarding recommended contract awards and the rationale supporting them.

Taken together, these benefits provide a strong justification for including the City Manager in the Purchasing Memo review and approval workflow. This review should not be viewed as diminishing the Mayor's executive authority. Rather, it provides an additional level of professional administrative oversight that supports prudent governance, strengthens stewardship of public resources, and reinforces the distinction between the Governing Body's policymaking responsibilities and the administrative responsibility for providing objective, well-supported recommendations.

## CONTRACT REVIEW, APPROVAL, AND EXECUTION PHASES: NEGOTIATION AUTHORITY AND PROCESS INTEGRITY

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|---|---|---|
| **9.** | **Observation** | **The City has not established a comprehensive process integrity framework for competitive sealed proposal evaluations and contract negotiations. The Procurement Code does not clearly assign responsibility for conducting negotiations, and the Procurement Manual does not establish procedures for protecting confidential procurement information and identifying conflicts of interest during the evaluation and negotiation process.** |
| | **Recommendation** | **Update the City's Procurement Code and Procurement Manual to establish a comprehensive process integrity framework for competitive sealed proposal evaluations and contract negotiations by assigning responsibility for conducting negotiations to the Chief Procurement Officer or designee and implementing procedures to protect confidential procurement information and address conflicts of interest.** |

Effective public procurement governance requires a strong process integrity framework for competitive sealed proposal evaluations and contract negotiations. Such a framework should clearly assign responsibility for conducting negotiations at the staff level and establish procedures for safeguarding confidential procurement information throughout the evaluation and negotiation process by requiring evaluators and other participants to acknowledge confidentiality obligations and disclose potential conflicts of interest. These practices preserve the integrity of the procurement process, protect the City's negotiating position, promote fair competition, and reduce the risk of protests or challenges to procurement decisions.

The City has not established a comprehensive process integrity framework for competitive sealed proposal processes. The Procurement Code does not explicitly assign responsibility for conducting contract negotiations to the Chief Procurement Officer or other designated procurement official, despite negotiations being an administrative procurement function. As discussed in Observation No. 5 and Observation No. 6, negotiations are currently conducted by user departments with guidance from the City Attorney's Office, while the Purchasing Division is not involved despite its procurement expertise. Consequently, the Procurement Code does not clearly reflect the City's intended procurement responsibilities or establish accountability for conducting contract negotiations.

The City's Procurement Manual also does not establish formal procedures for protecting confidential procurement information during proposal evaluations and contract negotiations. Although the New Mexico Open Meetings Act permits governing bodies to meet in closed session to discuss competitive sealed proposals during the contract negotiation process, the purpose of that exception is to protect confidential procurement information that could affect the City's bargaining position or otherwise disadvantage the procurement process if publicly disclosed.

In practice, negotiations are conducted administratively and are completed before contracts are presented to the Governing Body for approval. Without clearly established confidentiality and process integrity procedures, evaluators and other participants may not consistently understand or fulfill their responsibilities for protecting procurement-sensitive information or identifying conflicts of interest throughout the evaluation and negotiation process.

Collectively, these governance gaps reduce accountability for contract negotiations and weaken the integrity of the competitive sealed proposal process. They increase the risk that confidential procurement information could be improperly disclosed, conflicts of interest could go unidentified, or negotiated outcomes reached in good faith by staff could be revisited outside the established procurement process. These conditions create the appearance of unfairness, diminish public confidence in the integrity of the procurement process, and increase the risk of procurement protests.

### Recommendation

The City's Procurement Code and related procedures should be updated to memorialize current practice by assigning responsibility for conducting negotiations to the Chief Procurement Officer or designee and reinforcing the importance of fair and open competition, process integrity, and the protection of confidential procurement information, as follows:

**Implement policy and procedure changes.**

- **Update the City's Procurement Code.** The Procurement Code should be updated to explicitly assign the responsibility for conducting negotiations resulting from competitive sealed proposals to the Chief Procurement Officer or designee(s). This change would memorialize current practice of conducting negotiations at the staff level and appropriately assign the role, establish clear accountability for contract negotiations, and reinforce the importance of protecting confidential procurement information throughout the negotiation process.
- **Strengthen process integrity requirements.** To further protect the integrity of competitive sealed proposal processes, Purchasing should establish formal process integrity requirements governing proposal evaluations and contract negotiations. This should include updating the Procurement Manual and requiring evaluators to sign confidentiality and conflict-of-interest

acknowledgments before participating in proposal evaluations. These procedural changes reinforce the importance of maintaining confidentiality throughout the evaluation and negotiation process and help protect the integrity of competitive procurements.

Implementing these changes would not preclude the Governing Body from discussing competitive sealed proposals in closed session as permitted by law. Rather, they would clarify staff responsibility for conducting negotiations, align the Procurement Code with the City's current operating practices, and reinforce the importance of protecting confidential procurement information and maintaining the integrity of the competitive procurement process.

## CONTRACT REVIEW, APPROVAL, AND EXECUTION PHASES: CONTRACT EXECUTION AUTHORITY

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|---|---|---|
| **10.** | Observation | **Greater clarity is needed in the City's governing documents to distinguish contract approval or award authority from contract execution authority and identify the officials responsible for each function.** |
| | Recommendation | **Update the City Code of Ordinances to clearly distinguish contract award authority from contract execution authority and explicitly establish contract execution authority for the City Manager, with authority to further delegate execution of designated contracts to the Chief Procurement Officer or other appropriate designee(s).** |

Effective governance requires procurement policies and ordinances to clearly distinguish between contract award authority and contract execution authority and explicitly identify the officials authorized to perform each function. Contract award authority is the authority to approve the selection of a vendor following the procurement process, while contract execution authority is the authority to sign and legally bind the City to an approved (awarded) contract. Clearly defining these authorities promotes accountability, supports efficient administration, and eliminates ambiguity regarding who is authorized to award contracts and legally bind the City to contractual terms and conditions once the signature execution process is completed.

The City's current governing documents could more clearly establish contract execution authority. While the Code of Ordinances authorizes the City Manager to enter into contracts up to $200,000, it does not explicitly state that the City Manager has authority to execute or sign those contracts on behalf of the City. Likewise, neither the City Charter nor the Code of Ordinances explicitly assigns the Mayor authority to execute contracts greater than $200,000 following Governing Body approval. As a result, responsibility for executing contracts is not clearly established for either threshold.

Additionally, the provision in the Code of Ordinances section that authorizes the City Manager to enter into contracts up to $200,000 does not clearly distinguish between contract approval, entering into contracts, and contract execution. Although these terms are sometimes used interchangeably, they represent different governmental authorities. Contract award or approval is the policy decision authorizing the recommended contract following the procurement process, while contract execution is the administrative act of signing the contract and legally binding the City to its terms. Entering into a contract is related to approving a contract but the terminology more closely aligns with the signature execution process. Because these authorities are not explicitly distinguished in the City's governing documents, the authority to execute contracts may be left to interpretation. Similarly, the absence of specificity on the authorities to approve contracts prior to execution creates policy ambiguity. In practice, the authority for approving contracts up to $200,000 rests with the City Manager, while the Governing Body approves contracts greater than $200,000.

As discussed in Observation No. 7 and Observation No. 8, the recommended contract review and approval process incorporates greater administrative oversight by the City Manager before contracts are presented to the Governing Body for approval. Consistent with this structure and municipal best practice, contracts approved by the Governing Body should be executed by the City Manager as the City's Chief Administrative Officer, with authority to further delegate execution of contracts up to $200,000 to the Chief Procurement Officer or other appropriate designee.

Without clearly distinguishing contract award authority from contract execution authority and explicitly assigning award and execution authorities in the City's governing documents, the City lacks clear governance instruction on approving contracts at what level and administrative accountability for executing contracts and maintaining consistency with its procurement governance framework. Clarifying these authorities would improve governance, eliminate ambiguity, and better align contract execution with the City's recommended procurement workflow.

### Recommendation

To improve operational efficiency and align contract execution authority under a best practice administrative management structure that further aligns with the recommended contract review and approval process, the City Code of Ordinances should be updated to delegate contract execution authority from the Mayor to the City Manager and authorize further delegation by the City Manager to the Chief Procurement Officer or other appropriate designees. Ideally, these revisions should be included in Chapter XI (Budget and Finance), section 11-13 (Adoption of the City’s Procurement Code). These changes relate only to contract execution authority and do not alter the Governing Body’s authority to approve contract awards greater than $200,000.

- **Delegation provision for City Manager contract execution authority.** Chapter XI, section 11-13 of the City Code of Ordinances should specify that the Mayor, as the City’s Chief Executive Officer, delegates authority to execute contracts greater than $200,000 to the City Manager following Governing Body approval. This delegation aligns contract execution authority with the City Manager’s administrative oversight responsibilities and separates the Governing Body’s policymaking role from the administrative responsibility for executing approved contracts.
- **Delegation provision for Chief Procurement Officer contract execution authority.** The same code section should also authorize the City Manager to delegate contract execution authority for contracts up to $200,000 to the Chief Procurement Officer or other appropriate designee(s). This delegation would provide additional operational flexibility by allowing contract execution responsibilities to be performed by the administrative officials most directly responsible for the procurement process.

These changes would provide greater clarity and specificity in the City Code of Ordinances on the administrative authorities to legally bind the City following appropriate review and approval, align contract execution authority with the recommended procurement workflow, draw upon the specialized knowledge and experience of professional municipal staff, and improve operational efficiency by authorizing contract execution at the appropriate administrative level.

To promote policy clarity, the City's Code of Ordinances should also be updated to enumerate the current contract approval authorities of the Governing Body and the City Manager for contracts greater than, and up to $200,000, respectively. Ideally, these revisions should be included in the City's Procurement Code.

## B. Procurement Operating Model and Level of Centralization

### STAFFING CAPACITY

| 11. | Observation | Purchasing is not currently staffed or structured to assume the additional procurement responsibilities recommended in this report. |
|---|---|---|
| | Recommendations | A. Conduct a comprehensive workload analysis to determine the staffing, roles, and organizational structure needed to support the recommended procurement operating model.<br>B. Add interim Purchasing staffing capacity to support workflow transitions, implement process improvements, and maintain service levels while the workload analysis is completed. |

As discussed throughout this report, many of the recommended process improvements transfer procurement-related responsibilities from user departments to Purchasing, including pre-solicitation research and outreach; solicitation administration; and contract negotiation, preparation, and approval activities. While these changes are intended to improve consistency, accountability, and process efficiency, they will also increase Purchasing's workload and will require requisite training.

Purchasing currently operates primarily in a facilitative and compliance-focused role and is not staffed to assume all of the additional responsibilities recommended in this report. Purchasing leadership acknowledged that consolidating these activities would improve procurement operations but indicated that additional staffing and organizational capacity would be required to support the transition.

The City's 2025 Procurement Operational Review compared Purchasing staffing levels with those of Albuquerque, Las Cruces, Rio Rancho, and Los Alamos County and concluded that the City would need to add one full-time equivalent position to meet the peer average. That report also recommended conducting a comprehensive workload analysis to determine long-term staffing and organizational needs. Although peer benchmarking was not part of this engagement, the recommendations contained in this report further support the need to complete that workload analysis. They also indicate that additional staffing will be needed to implement the recommended changes.

#### Recommendation

The City should conduct a workload analysis to determine the staffing, roles, and organizational structure required to support the recommended procurement operating model. This analysis should:

- Evaluate current and projected procurement volumes, complexity, and cycle time expectations across departments.
- Assess role clarity and delineation between Purchasing, user departments, and supporting functions to eliminate duplication and gaps in accountability.
- Analyze anticipated efficiencies from process improvements, technology enhancements, and standardization efforts to understand potential offsetting workload impacts.
- Consider additional centralization options not recommended in this report and quantify associated resource requirements for future consideration.
- Incorporate relevant recommendations from the 2025 report.

Additionally, given the scope and complexity of the changes recommended in this report, the City should also add one Procurement Analyst position in the near term to support implementation activities while the workload analysis is planned and conducted. The City should evaluate whether a permanent or term-limited position is the most appropriate option based on current funding availability.

Initially, the position should focus on supporting workflow transitions, coordinating process and system changes, documenting and updating policies and procedures, and assisting with implementation of the recommended procurement operating model. This additional capacity will help maintain service levels, reduce implementation risk, and facilitate adoption of the report's recommendations.

The workload analysis will then help determine the longer-term staffing and organizational structure needed to sustainably support the recommended procurement operating model.

## PROCUREMENT OPERATING MODEL

| | | |
|---|---|---|
| **12.** | **Observation** | **Over time, procurement responsibilities that are more appropriately performed by Purchasing transitioned to user departments, contributing to role confusion, inconsistent application of procurement policies and procedures, and process inefficiencies across the procurement cycle.** |
| | **Recommendation** | **Restore the intended balance of the City's hybrid procurement model by returning selected procurement responsibilities to Purchasing that are more appropriately performed centrally.** |

Hybrid procurement models can effectively balance centralized procurement expertise with departmental operational knowledge when roles and responsibilities are clearly defined and procurement functions are assigned based on the knowledge, skills, and expertise required to perform them. Activities requiring specialized procurement expertise should be performed by the central purchasing function, while departments should retain responsibility for operational functions closely tied to service delivery.

Under the City's existing hybrid model, procurement responsibilities are shared between Purchasing and user departments. Under this approach, Purchasing provides centralized procurement leadership, policy oversight, and administration of designated procurement activities, while user departments retain responsibility for certain purchasing and contract administration functions. Hybrid procurement models are common in local government because they balance centralized procurement expertise with operational flexibility for departments and can function effectively when responsibilities are clearly defined and consistently applied.

Within the City, responsibility for certain activities typically performed by a central purchasing function transitioned to user departments over time, with Purchasing primarily retaining responsibility for policy oversight and procedural compliance. This includes activities related to pre-solicitation outreach following the services determination, research to determine the appropriate solicitation and sourcing methods, solicitation administration, and contract negotiation and preparation.

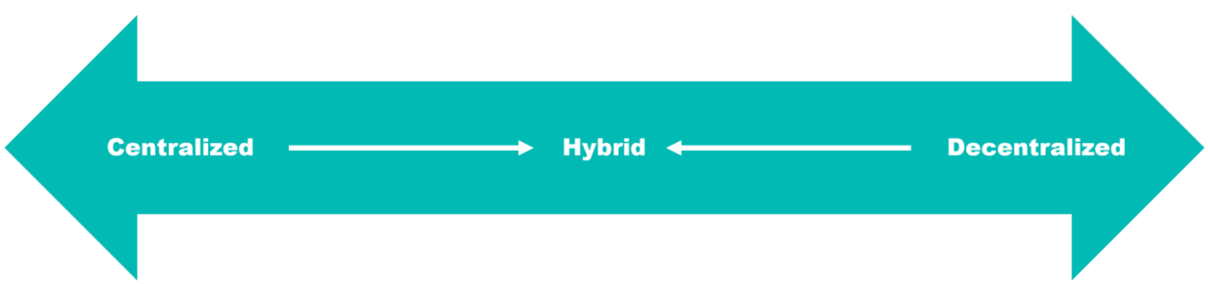
These tasks vary in levels of complexity, ranging from routine administrative coordination to interpreting procurement requirements, negotiating pricing and contractual terms, and applying procurement policies and procedures. As discussed throughout this report, decentralizing these activities has contributed to role confusion, inconsistent application of procurement policies and procedures, and process inefficiencies across the procurement cycle.

An important part of this engagement included assessing the City's current procurement structure for optimal positioning along the centralized-to-decentralized continuum to best support organizational objectives. This scope component was included at the City's request to help determine if a higher level of centralization was necessary to improve procurement system efficiency.

The determination of whether and how much centralization is optimal for the procurement function is agency specific. Leading procurement organizations design their procurement structure based on factors such as organizational size, complexity, procurement volume, risk tolerance, staff capabilities, and service delivery requirements.

Some agencies operate highly centralized procurement functions where the authority and responsibility for procuring *all* goods and services rests solely with central purchasing. At the opposite end of the spectrum, all procurement responsibility is vested in individual departments, with authority delegated by an agency's chief executive and responsibility for policy oversight assigned to purchasing. In actual practice, the most common model is a hybrid combination of centralized and decentralized functions along a continuum between both extremes, as depicted in the figure below, and employed by the City. This type of model is *transactional* in nature as opposed to strategic models viewed as transformational (see Future Considerations for Greater Centralized Oversight below).

**PROCUREMENT FUNCTION CONTINUUM**



Based on our assessment, the City's current challenges do not stem from its hybrid procurement model, but rather from the gradual decentralization of procurement activities that are more appropriately performed by Purchasing. The recommendations contained in this report therefore represent a course correction that returns selected procurement responsibilities to Purchasing and more closely aligns day-to-day operations with the City's Procurement Manual's intended allocation of responsibilities.

### Recommendation

The recommendations throughout this report are not intended to move the City toward a more centralized procurement structure. Rather, they are intended to restore the intended balance of the City's hybrid procurement model by returning selected procurement responsibilities to Purchasing that are more appropriately performed centrally. This approach aligns with the City's Procurement Manual, which assigns Purchasing responsibility for the control of procurement and the performance of procurement functions except where otherwise authorized by statute, ordinance, or City policy.

Implementing this course correction should occur in phases based on the complexity of the recommended workflow changes. A phased approach will allow the City to reestablish the intended hybrid procurement model, evaluate the operational impacts of the recommended changes over time, and determine whether additional centralization beyond the recommendations in this report is warranted.

Analysis and comparisons of current and proposed workflows were presented in Section III. A of this report and are not repeated here. Appendix C summarizes the recommended workflow changes by procurement cycle phase, implementation complexity, and recommended implementation timing. While many routine workflow changes can be implemented in the short term, others will require additional planning because of policy, procedural, technology, structural, and change management considerations. Successful implementation will also require continued collaboration between Purchasing and user departments to help ensure anticipated efficiency gains and quality improvements are realized while staffing and organizational changes are implemented. As discussed in Observation No. 11, adding interim Purchasing capacity will help facilitate this transition.

### Future Considerations for Greater Centralized Oversight

The recommendations in this report are intended to improve operational performance within the City's existing hybrid procurement model. They are not intended to recommend a greater level of structural centralization at this time. Once the recommended process improvements have been implemented, workload impacts assessed, and operational performance evaluated over time, City leaders may wish to consider whether additional strategic procurement responsibilities should be centralized within Purchasing.

The concepts discussed below are presented as future considerations rather than implementation recommendations. They illustrate how leading local governments use strategically centralized procurement functions as a transformative way to advance organizational objectives beyond the transactional procurement activities addressed in this report.

#### Illustrative Strategic Procurement Practices

Strategic procurement management is a best practice that extends beyond traditional, transaction-based purchasing and takes a proactive, long-term approach to purchasing goods and services that aligns with broader economic, social, and sustainability goals of a local agency.

Key facets of the approach include the following:

- **Civic goal alignment.** Strategic procurement management aligns procurement to governing body policy goals such as those established in conjunction with Environmental, Social, and Governance (ESG) strategies for environmental stewardship, local supplier diversity, and contracting integrity and transparency.
- **Strategic sourcing and supplier relationship management.** This approach includes cultivating strategic vendor partnerships, including those involving multiple supply chains, to establish long-term contractual arrangements. These relationships can improve price predictability, strengthen service delivery, and help achieve best value over defined life cycles.
- **Robust spend analysis.** Conducting robust spend analysis can result in significant cost savings and purchasing efficiency but is not effectively employed by most local agencies whose purchasing units do not have the requisite expertise and typically operate under resource constraints. Spend analysis is essential for making fact-based decisions, especially those used for center-led spend efforts described below.
- **Center-led spend.** Center-led spend is a governance and operating model where a centralized procurement organization provides strategic direction, policy development and compliance, and sourcing control over enterprise-wide spending, while decentralized departments execute purchase transactions within established frameworks and delegated authorities.

  Under the center-led spend approach, central procurement is the responsible authority for grouping similar goods and services together commonly used across departments under enterprise-wide contracts. Some examples include fleet vehicles and heavy equipment, fuel, information technology hardware and software, office supplies, printing and copying, and professional consultants.

  The center-led spend model can be particularly efficient and effective means to:

  - Aggregate spending for obtaining pricing discounts.
  - Standardize products and services across departments.
  - Reduce duplicate procurements.
  - Improve policy and procedural compliance.
  - Increase visibility into agency spending.
  - Strengthen internal controls through centralized oversight while allowing departments to focus on service delivery.

  For medium- to large-sized municipalities, a center-led approach is considered a leading practice that combines strategic procurement expertise with departmental flexibility.

Establishing such a framework is a long-term, transformational proposition that elevates the procurement function to a strategic level for policy and innovation, not merely a vehicle to facilitate goods and services purchases. While the gold standard in public procurement, implementing a strategic procurement management framework requires structural changes that most cities are not resourced to implement. However, elements such as strategic sourcing or center-led master contracting can be piloted to determine whether resources should be added to further develop such tools for long-term value.

## DEPARTMENTAL PROCUREMENT LIAISONS

| 13. | | |
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| | **Observation** | **Procurement-related responsibilities within user departments are often distributed across multiple staff members without a designated point of accountability, contributing to inconsistent application of procurement policies and procedures and inefficient coordination with Purchasing.** |
| | **Recommendation** | **Establish a formal Purchasing liaison program by designating trained departmental procurement points of contact to improve accountability, coordination, and consistency across the procurement process.** |

Purchasing liaison programs strengthen governance by establishing clear accountability for coordinating departmental purchasing activities, facilitating communication with central procurement, supporting procurement planning, reinforcing consistent application of procurement policies, and ensuring procurement-related training and guidance are communicated throughout the department. While procurement responsibilities may involve multiple staff members, assigning a designated liaison improves coordination and reduces uncertainty regarding departmental procurement responsibilities.

Currently, procurement-related responsibilities within the City's user departments are often distributed across multiple staff members without a designated departmental point-of-contact for coordinating procurement activities. This fragmented approach contributes to inconsistent application of procurement policies and procedures, inefficient coordination with Purchasing, and process inefficiencies.

Procurement-related tasks such as obtaining price quotes, preparing purchase requisitions, form filling, coordinating required documentation, contract and Purchasing Memo preparation are performed inconsistently and often distributed across multiple staff without clear ownership. Without a designated departmental point of accountability, this fragmented approach contributes to confusion, inconsistent quality, rework, and delays in the procurement process. It also creates variability in how procurement requirements are interpreted and applied, reducing process consistency and increasing the risk of noncompliance. These challenges are amplified in the City's hybrid procurement environment, where responsibilities are shared between Purchasing and user departments but not always clearly defined. Purchasing must frequently provide reactive, one-on-one support to address avoidable issues, further straining limited centralized resources.

While some of these tasks are proposed to be transferred to Purchasing, the transition will take time and responsibilities associated with coordinating information flow, preparing documentation, and vendor engagement will continue to be performed by user departments even once changes are implemented.

To address such challenges, public procurement organizations often use a liaison or “super-user” program. These programs are particularly effective in hybrid environments because they create a scalable bridge between centralized expertise and decentralized execution. These programs help standardize interpretation of policies, reduce reliance on informal knowledge networks, and improve the consistency of procurement practices across departments. A liaison program also enhances communication and understanding between Purchasing and user departments.

Organizations that successfully implement liaison programs typically pair role designation with structured training, ongoing engagement, and governance. Without these supporting elements, liaison roles can become symbolic rather than functional, limiting their ability to drive meaningful process improvements.

Establishing a formal liaison network would enable Purchasing to transition from a transactional, reactive support model to a more strategic role focused on oversight, continuous improvement, and high-value procurements. At the same time, departments would benefit from increased ownership and subject matter knowledge, faster processing, and improved internal coordination.

### Recommendation

The City should implement a structured purchasing liaison program by designating a primary procurement point of contact within each department and/or division depending on size and volume. The liaisons would serve as central coordinators for all procurement-related activities within their respective departments, creating a clear and consistent ownership model for key tasks that are currently fragmented across multiple staff. Establishing a dedicated liaison role with a single point of accountability for interfacing with Purchasing will create a clear line of responsibility for procurement process coordination at the department level.

As Purchasing takes on greater workload, it will be necessary to consolidate points of contact to create process efficiency that will also serve to strengthen interdepartmental collaboration. Core elements of a successful liaison program include:

- **Designated Departmental Points-of-Contact:** Assign a trained procurement liaison within each department to serve as the single point of coordination for procurement activities.
- **Clear Role Definition:** Document liaison responsibilities, including ownership of intake, quality assurance, and coordination, along with clear boundaries between departmental and Purchasing responsibilities.
- **Upstream Quality Control:** Position liaisons as initial reviewers responsible for ensuring requests are complete, accurate, and policy-compliant before submission, reducing downstream rework.
- **Standardized Tools and Templates:** Provide liaisons with consistent checklists, templates, and job aids to drive uniform execution across departments.
- **Role-Based Training:** Require liaisons to complete targeted training and maintain baseline competency in procurement policies, systems (e.g., OpenGov), and processes.
- **Community of Practice Model:** Establish regular forums for liaisons to engage with Purchasing, share lessons learned, and receive updates on policy or process changes.
- **Performance Monitoring:** Track metrics such as submission quality and cycle times to reinforce accountability and identify improvement opportunities (see Observation No. 18).

Implementing a formal purchasing liaisons program that designates single points of contact within departments to interface with Purchasing will help strengthen interdepartmental communication and collaboration and improve consistency and efficiency in service delivery. Establishing such a program is necessary to help offset workload impacts resulting from transferring procurement-related tasks from departments to Purchasing.

## C. Assessment of Continued Application of State Procurement Code

### HOME-RULE PROCUREMENT AUTHORITY

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|---|---|---|
| **14.** | **Observation** | **The City's home-rule authority provides the flexibility to adopt, modify, or depart from provisions of the state procurement code. Exercising that flexibility requires careful evaluation of the operational, governance, and policy implications of each proposed change.** |
| | **Recommendation** | **Evaluate additional departures from the state procurement code on a case-by-case basis and in conjunction with recommended improvements to ensure operational impacts are understood.** |

Effective procurement governance requires procurement authorities, responsibilities, and procedures to be established through a coherent legislative and policy framework. When a home-rule municipality adopts a state procurement code but exercises its authority to modify or depart from individual provisions, those departures should be intentional, clearly documented, supported by a defined policy rationale, and periodically evaluated to determine whether they continue to advance the municipality's operational, governance, and procurement objectives.

Following adoption of the state procurement code in 2018, the City has exercised its home-rule authority to modify certain procurement requirements to improve operational flexibility, legal consistency, and transparency, with changes occurring in 2023 and 2026. These changes have primarily included:

- Increasing the City Manager's contract approval authority to $200,000, with monthly reporting of approved contracts
- Expanding and clarifying exemptions from competitive solicitations
- Authorizing Procurement Manual changes by resolution without committee review
- Authorizing the Chief Procurement Officer to approve purchase orders and requests for applications for grants awards
- Increasing the maximum duration for professional services contracts from four to eight years
- Adopting the construction manager at risk (CMAR) project delivery method
- Modifying dollar thresholds and procurement requirements for small purchases
- Authorizing the City Manager to approve contract amendments that do not materially alter the scope of work
- Adding processes for emergency procurements

The policy changes adopted to date demonstrate that the City has exercised its home-rule authority to address specific operational and governance objectives.

Based on our assessment, Baker Tilly does not recommend that the City either fully adopt or fully abandon the state procurement code at this time. Instead, the City should continue using its home-rule authority to evaluate procurement policies individually, adopting, modifying, or departing from state procurement code provisions where doing so demonstrably improves operational efficiency, governance, transparency, or process integrity. This approach allows the City to continue exercising its home-rule authority strategically, adopting or modifying procurement policies where they provide a demonstrated operational or governance benefit while avoiding unnecessary complexity or unintended operational impacts.

During the engagement, City staff identified a number of additional policy and procedural concepts for future consideration. These concepts have not been evaluated in sufficient detail to determine whether they should be implemented or whether they would require adoption, modification, or departure from provisions of the state procurement code. They are provided in Appendix D as reference items for future evaluation rather than recommendations for implementation.

### Recommendation

The City should continue to exercise its home-rule authority strategically by evaluating procurement policy changes—including adoption, modification, or departure from provisions of the state procurement code—on a case-by-case basis. Policy changes should be supported by appropriate operational, legal, governance, and administrative analysis and considered in the context of the procurement improvements recommended throughout this report.

The policy and procedural changes recommended throughout this report represent targeted modifications intended to improve procurement efficiency, governance, and process integrity. These recommendations should be prioritized and implemented before the City considers broader changes to its procurement framework. Evaluating the operational impacts of these changes will provide a stronger foundation for determining whether additional procurement policy changes are warranted.

## D. Other Supporting Opportunities for Improvement

### TRAINING

| 15. | | |
|---|---|---|
| | **Observation** | **Departments do not receive consistent, role-based procurement training, contributing to inconsistent application of procurement requirements, submission errors, and increased reliance on reactive support from Purchasing.** |
| | **Recommendation** | **Implement a structured, role-based Purchasing training program to improve consistency and capability.** |

Effective procurement organizations establish formal, standardized training programs that provide employees with the knowledge and tools necessary to consistently perform procurement responsibilities in accordance with policy and applicable requirements.

Current procurement training for user departments remains largely informal and inconsistent. Although Purchasing has recently introduced recurring training sessions and office hours, training is not governed by a comprehensive program with standardized curriculum, role-based learning objectives, onboarding requirements, or periodic refresher training. As a result, department staff members are underprepared to navigate procurement requirements, contributing to inconsistent execution, submission errors, and increased reliance on Purchasing for reactive, one-on-one support.

These challenges are particularly pronounced in a hybrid procurement environment, where responsibilities are shared between central Purchasing and decentralized departmental staff. Without clear, standardized training and guidance, departments may interpret policies differently, apply inconsistent practices, or bypass established controls which can undermine compliance, efficiency, and equitable vendor treatment.

According to the 2025 NIGP benchmarking report, 61.6% of 385 surveyed agencies have a formal procurement training program for internal stakeholders, reinforcing that structured training is a common capability among mature procurement organizations.[2]

#### Recommendation

To address these challenges, the City should implement a structured, role-based procurement training program that is centrally managed by Purchasing and aligned with a broader, standardized training and change management framework. This program should provide clear, consistent guidance tailored to different roles, such as requestors, approvers, and departmental liaisons.

Training should include formal onboarding for new staff, regularly scheduled refresher sessions, and targeted modules focused on key topics such as:

[2] 2025-CARE-Public-Procurement-Benchmark-Report.pdf

- Scope development
- Contract requirements
- System usage, particularly for OpenGov

Establishing a defined and recurring training cadence will help ensure all users receive consistent foundational knowledge and remain informed as processes evolve. Additionally, training should be embedded into major process or system changes so that updates to policies, templates, or tools are consistently accompanied by clear instruction on how to apply them in practice.

The City should consider the following user department training best practices when developing a training program:

- **Role-Based Curriculum Design:** Develop tailored training paths based on user roles, ensuring staff receive relevant, practical instruction aligned to their level of procurement involvement and decision-making authority.
- **Standardized Core Content:** Implement a consistent baseline curriculum covering procurement policies, thresholds, ethical standards, documentation requirements, and system usage to promote uniform understanding across departments.
- **Mandatory Onboarding and Periodic Refreshers:** Require new hires and newly assigned procurement users to complete foundational training, with periodic refresher courses to reinforce compliance and incorporate policy updates. These sessions should include key process stakeholders across the procure-to-pay cycle include risk management, legal, and accounts payable representation to help new hires and those with newly assigned procurement-related responsibilities understand roles and responsibilities.
- **Blended Learning Approach:** Combine instructor-led sessions, on-demand e-learning modules, job aids, and quick-reference guides to accommodate different learning styles and improve accessibility.
- **Embedded Process Guidance:** Integrate step-by-step guidance, checklists, and templates directly into procurement systems and workflows to support users at the point of need and reduce reliance on institutional knowledge.
- **Departmental Super-User or Liaison Model:** Designate and train departmental procurement liaisons to serve as first-line resources, reinforcing best practices and ensuring more consistent application of policies at the department level (see Observation No. 13).
- **Performance Metrics and Feedback Loops:** Track training participation, satisfaction, and common issue themes to continuously improve training content and target high-risk areas.
- **Governance and Accountability:** Establish clear expectations for compliance with training requirements and procurement procedures, supported by leadership reinforcement and periodic audits.

## COMMUNICATION

| 16. | | |
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| | **Observation** | **Procurement-related changes are not communicated through a consistent, proactive change management process, resulting in confusion, inconsistent adoption, and process inefficiencies.** |
| | **Recommendation** | **Implement a structured change management and communication framework to improve awareness, adoption, and consistent implementation of procurement-related changes.** |

Effective procurement organizations establish formal change management and communication processes to ensure procurement policy, procedure, system, and workflow changes are consistently communicated, understood, and implemented across the organization. Timely stakeholder communication, coordinated training, and accessible guidance help promote consistent adoption of new requirements, reduce operational disruption, and improve compliance with procurement policies and procedures.

While Purchasing has made substantial efforts to modernize procurement processes and implement new tools, stakeholder interviews consistently identified communication and change management as ongoing challenges. Departments reported that procurement policies, procedures, forms, roadmaps, and workflow requirements are frequently updated without a structured communication process, resulting in staff learning about changes only after a transaction is rejected or delayed. Several departments noted that they rely on procurement roadmaps and guidance documents as their primary source of information, yet updates to these resources are not always communicated proactively, leading to confusion, rework, inconsistent application of requirements, and frustration among stakeholders.

These communication gaps have been amplified by significant process changes, including the implementation of OpenGov, revised purchasing workflows, updated approval requirements, and evolving procurement practices. Although many stakeholders acknowledged that Purchasing has become more collaborative and responsive in recent years, they also noted that changes are often implemented faster than departments can absorb and operationalize them. As a result, departments frequently develop local workarounds, rely on informal communication channels, or interpret requirements differently, contributing to inconsistent practices across the organization.

The City's 2025 Procurement Operational Review similarly found that the City faced challenges effectively managing change and providing the training necessary to support departments through procurement process changes. The report specifically recommended implementing a standardized training and change management process to improve communication, adoption, and accountability related to procurement-related changes. Continued feedback gathered during this review indicates that while progress has been made, a more structured approach to change management remains necessary to achieve sustainable improvements.

Without a formal change management framework, the City risks ongoing process inefficiencies, reduced stakeholder confidence, inconsistent compliance with procurement requirements, and increased administrative burden associated with correcting avoidable errors. As additional recommendations within this report are implemented, the need for a coordinated and proactive communication strategy will become increasingly important to ensure successful adoption and long-term sustainability.

### Recommendation

To reduce process friction, rework, and stakeholder frustration, the City should implement a standardized change management and communication framework for procurement-related updates. This framework should shift the organization from a reactive communication model to a proactive, consistent, and centralized approach, helping to ensure that all stakeholders are informed, prepared, and accountable when changes occur.

This recommendation builds upon the 2025 Procurement Operational Review recommendation to implement a standardized training and change management process. Given the number and scope of the procurement improvements recommended in this report, a more formalized and proactive change management framework will be essential to ensure consistent communication, effective implementation, and long-term adoption across the organization.

Key elements of this framework include:

- **Establish a formal change management framework.** Adopt a clear and formalized approach to department communications. Consider a recognized change management methodology (e.g., Prosci ADKAR, PMI Change Management, or ITIL Change Enablement) to standardize how procurement-related changes are introduced and adopted.
- **Identify which methods user departments prefer.** Conduct engagement with user departments to understand how and when they want to receive updates.
- **Centralize communication and policy updates.** Create a single authoritative source of truth (e.g., intranet hub, OpenGov portal page) for all procurement policies, templates, and guidance.
- **Establish clear roles.** Define clear roles and responsibilities (e.g., Purchasing, departmental liaisons, system administrators) for initiating, approving, communicating, and monitoring changes.
- **Monitor, measure, and continuously improve.** Introduce Key Performance Indicators (KPIs) to track communication effectiveness (see Observation No. 18).

## TECHNOLOGY

| 17. | | |
|---|---|---|
| | Observation | **Procurement technology is fragmented, creating duplicate work, manual processes, and administrative inefficiencies.** |
| | Recommendation | **Develop a coordinated procurement technology strategy that evaluates opportunities to consolidate systems, improve integration, standardize workflows, and strengthen governance of procurement-related technology.** |

Efficient and effective procurement organizations implement integrated technology solutions that support the end-to-end procurement lifecycle through standardized workflows, coordinated data management, and appropriate system interoperability. Technology should minimize duplicate data entry, reduce manual handoffs, maintain a single source of reliable information where practical, and provide users with efficient visibility into procurement activities.

The City's procurement technology environment remains fragmented, requiring staff to navigate multiple systems, perform duplicate data entry, and manually transfer information throughout the procure-to-pay lifecycle. While recent investments, particularly OpenGov, have improved visibility and process structure, the benefits of these tools are limited by insufficient integration, inconsistent implementation, and a lack of enterprise-wide coordination.

Process mapping identified at least seven platforms that support procurement activities, including Outlook, OpenGov, JotForm, Box, Adobe Sign, CivicPlus, and Tyler Munis. Although each platform serves a specific purpose, stakeholders consistently reported that information must be repeatedly entered, uploaded, downloaded, reconciled, and tracked across systems. This creates unnecessary administrative effort, increases the risk of errors, and disrupts workflow continuity.

The effects of this fragmentation are particularly evident during contract development, review, approval, and execution. Contract documents are often drafted in one system, routed through another for legal review, signed in a separate platform, uploaded into OpenGov, transferred to CivicPlus for agenda management, and then entered into Munis for contract and purchase order processing. Staff reported frequently downloading and re-uploading the same contract packages to satisfy approval, documentation, and recordkeeping requirements. As a result, workflows are difficult to track and heavily dependent on manual coordination across departments.

Stakeholders also cited challenges associated with duplicate records, inconsistent data, and the inability of systems to communicate effectively. Procurement status is often tracked through emails, spreadsheets, or direct follow-up because workflow information is dispersed across multiple platforms rather than maintained within a single source of truth. These system handoffs consume staff time and create opportunities for delays, errors, and inconsistent data entry.

These concerns were also identified in the City's 2025 Procurement Operational Review, which recommended further integration of procurement workflows and consolidation of legal review processes currently managed through JotForm and Box. Although the City has made meaningful progress in modernizing procurement technology, stakeholder feedback and process mapping indicate that system fragmentation, duplicative documentation requirements, and limited integration continue to create inefficiencies and administrative burden.

### Recommendation

Develop and implement a coordinated procurement technology strategy that evaluates opportunities to consolidate systems, improve integration, standardize workflows, and strengthen governance of procurement-related technology.

As part of this effort, the City should conduct a comprehensive cost-benefit and efficiency assessment of its procurement technology environment, evaluating both direct system costs and indirect impacts such as staff time, duplicate work, manual reconciliation, rework, and process delays. The assessment should identify opportunities to eliminate redundant systems and documentation requirements, improve interoperability, and streamline end-to-end procurement workflows.

Based on the results, the City should establish a phased technology roadmap that prioritizes system consolidation, stronger integration between procurement, legal, agenda management, contract management, and financial systems, and greater standardization of procurement-related workflows. This should include revisiting prior recommendations to better integrate OpenGov with systems used by the City Attorney's Office and other key stakeholders.

A more coordinated and integrated technology environment will improve data integrity, reduce administrative burden, increase process transparency, and support a more efficient, scalable, and user-friendly procure-to-pay process.

## PERFORMANCE MANAGEMENT

| 18. | | |
|---|---|---|
| | **Observation** | **The City does not maintain a formal procurement performance management program, limiting its ability to evaluate operational performance, demonstrate results, and drive continuous improvement.** |
| | **Recommendation** | **Establish a procurement performance management program that measures, monitors, and reports KPIs to support operational decision-making and continuous improvement.** |

Leading procurement organizations establish performance management frameworks that define meaningful performance measures, monitor operational results, and communicate outcomes to management and stakeholders. Performance metrics should align with organizational objectives and provide reliable information to evaluate service delivery, resource utilization, process efficiency, compliance, and continuous improvement efforts.

While Purchasing has made substantial investments in process improvements, technology modernization, workflow redesign, and increased stakeholder engagement, it has not established a comprehensive performance management framework to measure and communicate the effectiveness of those efforts. As a result, management, City leadership, and stakeholders have limited visibility into procurement performance, service levels, workload trends, and the outcomes achieved through recent process improvements.

The City's 2025 procurement review identified this same issue, noting that Purchasing had not established formal KPIs and recommending implementation of performance metrics aligned with service goals and strategic objectives. Although significant operational changes have occurred since that review—including implementation of OpenGov, process redesign efforts, and increased centralization of procurement activities—formal KPI reporting remains limited. Consequently, the City lacks objective data to determine whether process changes are reducing cycle times, improving customer service, increasing compliance, or creating the intended operational efficiencies.

The absence of performance metrics also limits the City's ability to identify emerging issues, prioritize improvement efforts, support staffing decisions, and demonstrate accountability to departments and elected officials. During interviews, stakeholders expressed concerns regarding consistency, timeliness, communication, training, and process transparency. Without meaningful performance measures, leadership cannot readily determine whether these concerns are isolated incidents or systemic issues requiring corrective action. Similarly, the City has limited ability to quantify improvements, compare performance over time, or benchmark against peer organizations.

As the City continues implementing the recommendations contained in this report, performance measurement will become increasingly important. A formal KPI program would provide management with actionable data to monitor implementation progress, evaluate service quality, identify workflow bottlenecks, and support a culture of continuous improvement.

### Recommendation

The City should establish and routinely report procurement performance metrics that provide meaningful insight into efficiency, effectiveness, customer service, compliance, and organizational outcomes. Examples of KPIs are provided in the table below.

| POTENTIAL KPIS | |
|---|---|
| **KPIs** | **Target Metric(s)** |
| • Cycle times for informal and formal solicitations | • Number completed and percentage within target |
| • Cost savings achieved through best value negotiations (requests for proposals) | • Dollar difference between submitted and negotiated cost |
| • Cost savings achieved through supplier consolidation | • Dollar difference between current and consolidated cost |
| • Cost avoidance through negotiated/fixed price increases for multi-year contracts | • Dollar value of savings from negotiated price increases<br>• Percentage of lowest-bid fixed price increases |
| • Amount of center led spend under management | • Percentage compared to total spend |
| • Supplier diversity to promote socioeconomic goals | • Percentage within target |
| • Sustainable spend to advance ESG goals | • Percentage within target |
| • Internal and external customer/stakeholder satisfaction | • Overall satisfaction rating (percentage compared to target)<br>• Quality and consistency of service provided (percentage compared to target) |

Key steps to establish an effective KPI process include:

- **Establish core procurement KPIs.** Develop a balanced set of metrics that measure operational performance, customer service, compliance, and resource utilization.
- **Define baselines and performance targets.** Establish current-state performance benchmarks and identify realistic future-state goals for each metric.
- **Develop leadership dashboards.** Create monthly or quarterly KPI dashboards to provide visibility into procurement performance, trends, and emerging issues.
- **Measure customer experience.** Implement periodic stakeholder satisfaction surveys to assess perceptions related to communication, responsiveness, training, consistency, and overall procurement support.

- **Use KPI data to drive improvement.** Incorporate performance measures into management discussions, process improvement initiatives, staffing evaluations, change management efforts, and strategic planning activities.
- **Report progress regularly.** Share high-level performance results with City leadership, departments, and other stakeholders to reinforce accountability and demonstrate the impact of procurement modernization efforts.

## PROCUREMENT MANUAL

| 19. | | |
|---|---|---|
| | Observation | **The Procurement Manual was last updated in 2020 and lacks procedural guidance in some areas, resulting in inconsistencies and increased confusion around purchasing processes.** |
| | Recommendation | **Update the Procurement Manual and establish a process for maintaining it to reflect policy and procedural changes, incorporate procurement best practices, and provide clear, user-friendly guidance to City staff.** |

Effective procurement organizations maintain comprehensive, current, and accessible policies and procedures that clearly communicate procurement requirements, roles, responsibilities, and standardized processes. Procurement manuals should serve as the authoritative source of procedural guidance, be regularly updated to reflect changes in laws, policies, systems, and business practices, and be organized in a manner that is practical and easy for users to navigate.

The 2025 report recommended the comprehensive review and updating of the 2020 Procurement Manual as a critical path item to help City employees navigate complex policies and procedures. Although Purchasing has developed helpful standard operating procedures and visual guides, this comprehensive update has yet to occur. Additionally, procedural information is in different places, which challenges user department staff members from easily accessing information.

Given the numerous recommended updates in this report and updates that occurred after 2020 when the Procurement Manual was last updated, it is essential that the Manual be overhauled to reflect policy and procedural modifications, modernize the format for clarity and user-friendliness, and add provisions currently absent that help reinforce public procurement concepts and process integrity. The Procurement Manual is the most important policy and procedural document for City staff awareness because it is viewed as the source of truth for all requirements and should be structured for ease of use and understanding (as opposed to the legalese in codes and regulations that can be hard to decipher).

### Recommendation

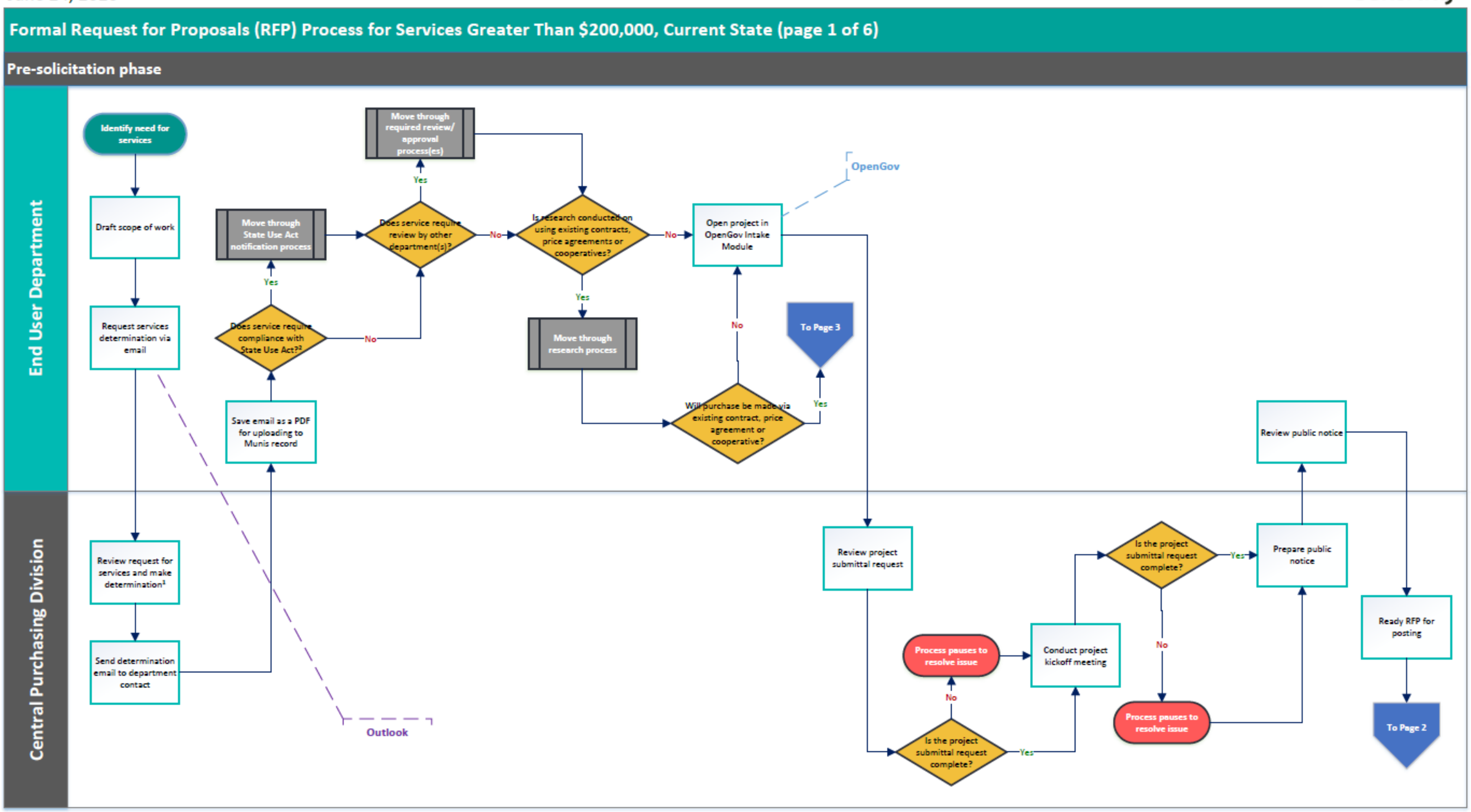
The Procurement Manual should be comprehensively updated to incorporate the policy, procedural, and workflow changes recommended throughout this report and to serve as the City's primary reference document for procurement activities. The Procurement Manual should also be maintained as a living document, with updates incorporated on a regular basis as policies, procedures, and systems evolve. Helpful examples of formatting changes and additional provisions include:

- Use of graphics to portray high level workflows and summary information on solicitation requirements and dollar thresholds
- Inclusion of examples and scenarios of policy and procedural challenges commonly encountered such as determining appropriate bidding methods, types of services, and contract approval authorities associated with transaction types
- Hyperlinks to important reference information such as relevant local and state laws and federal regulations, purchasing cooperatives, state price agreements, standard operating procedures, etc.
- Addition of a front-forward section on conduct and ethics in public procurement
- Inclusion of a separate section on procurement approval authorities and roles and responsibilities
- Addition of sections on preparing specifications and scopes of work, how to determine appropriate solicitation procedures, and procurement risk management

The 2025 Procurement Operational Review provides numerous recommendations that remain relevant and should be incorporated into the updated Procurement Manual. However, certain recommendations, such as those related to service determinations and Purchasing Memo preparation, should be revisited during the update process to ensure they align with the workflow changes recommended in this report.

# Appendix A: Current State Process Map

**City of Santa Fe Procurement Process Review**
June 24, 2026




__Notes:__
*[1]Professional services associated with architectural and engineering (A&E) work require an independent internal review by the user department in addition to the determination provided by the chief procurement officer.*
*[2]Requires the department contact to research Horizons of New Mexico's approved list of service providers.*

**City of Santa Fe Procurement Process Review**
June 24, 2026

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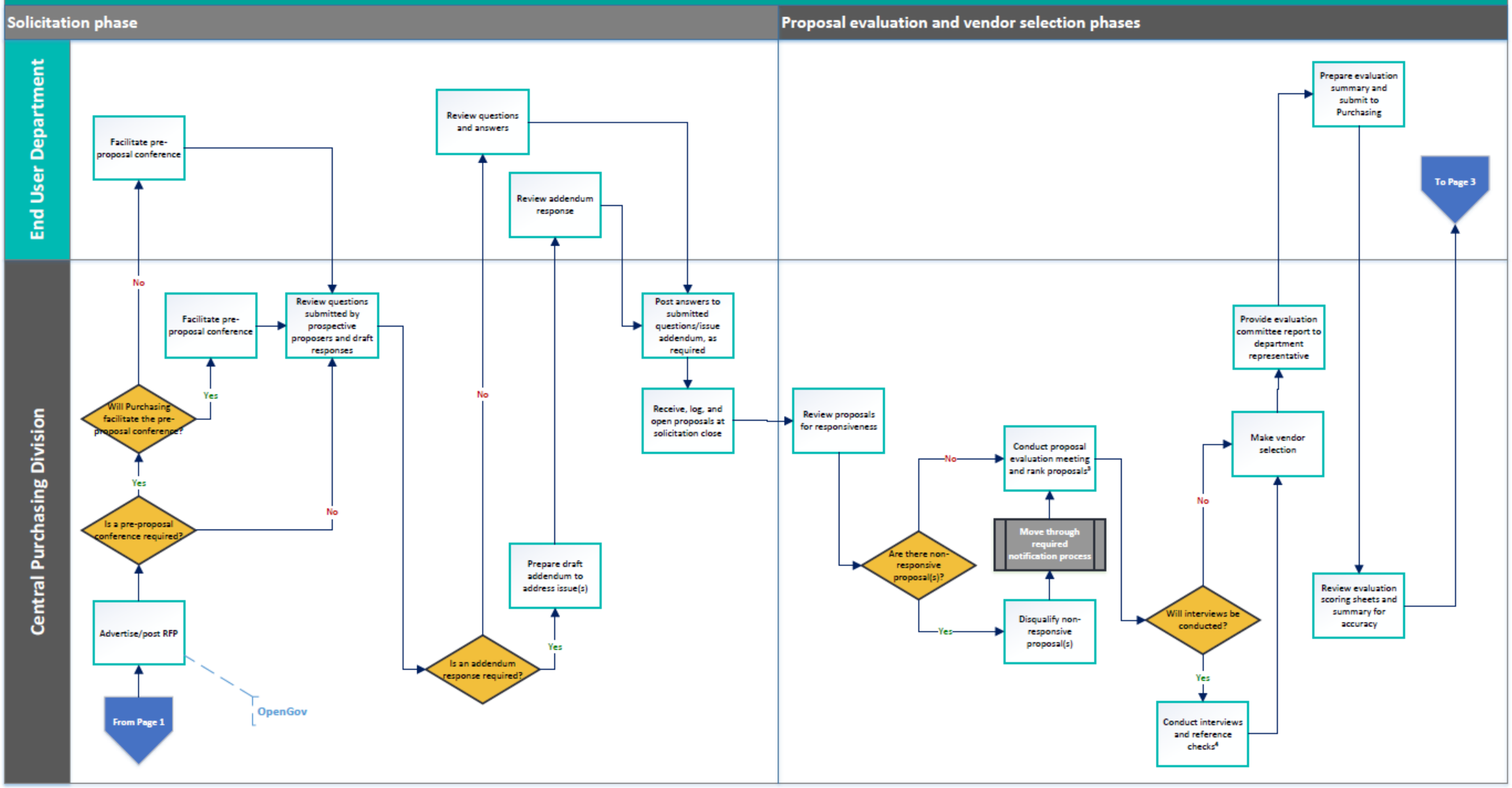
## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State (page 2 of 6)




***Notes*:**
*³This step is completed using a forced choice method evaluation process.*
*⁴This step is a shared responsibility between Purchasing and end user department.*

City of Santa Fe Procurement Process Review
June 24, 2026

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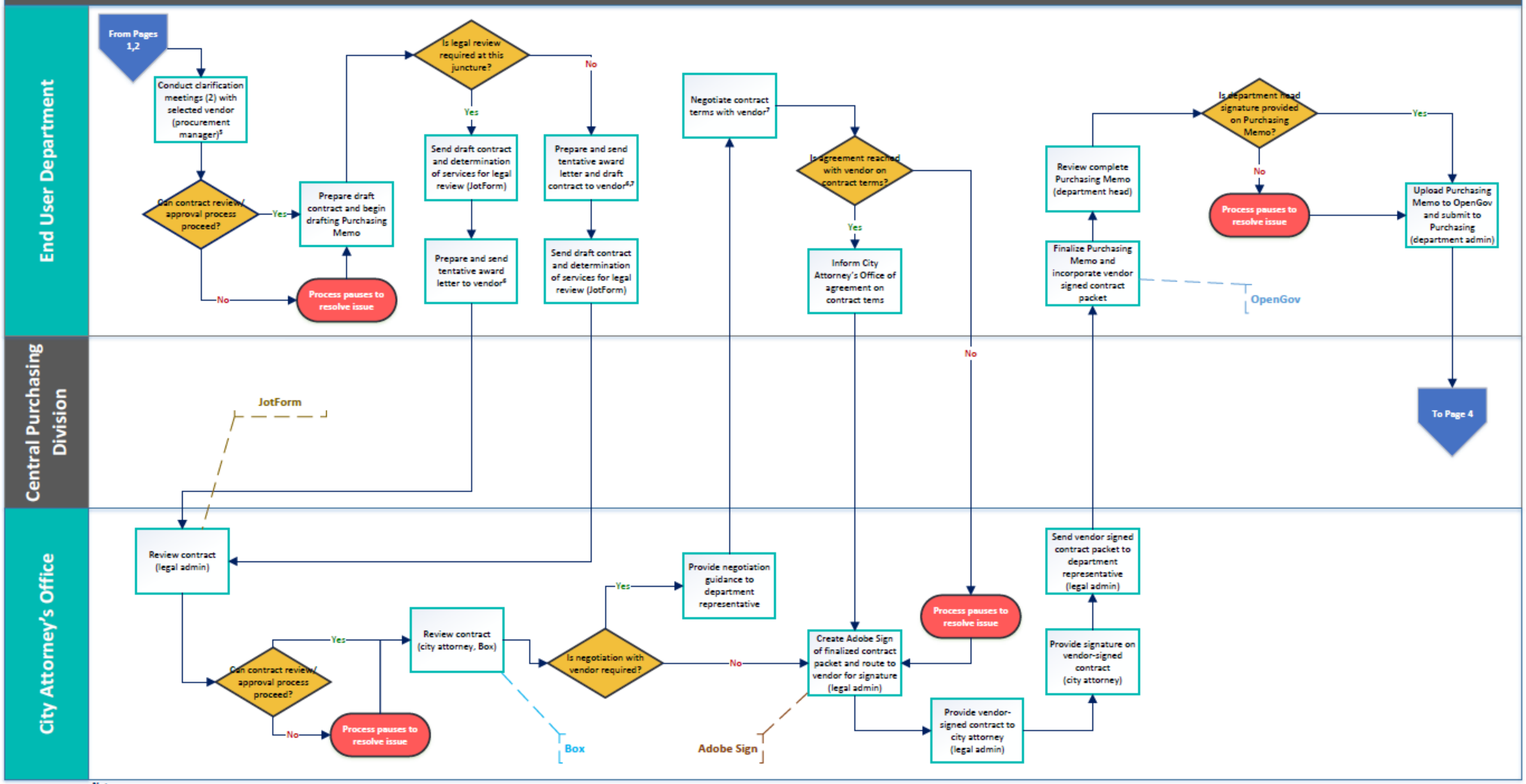
## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State (page 3 of 6)

### Contract negotiation, approval, and execution phases

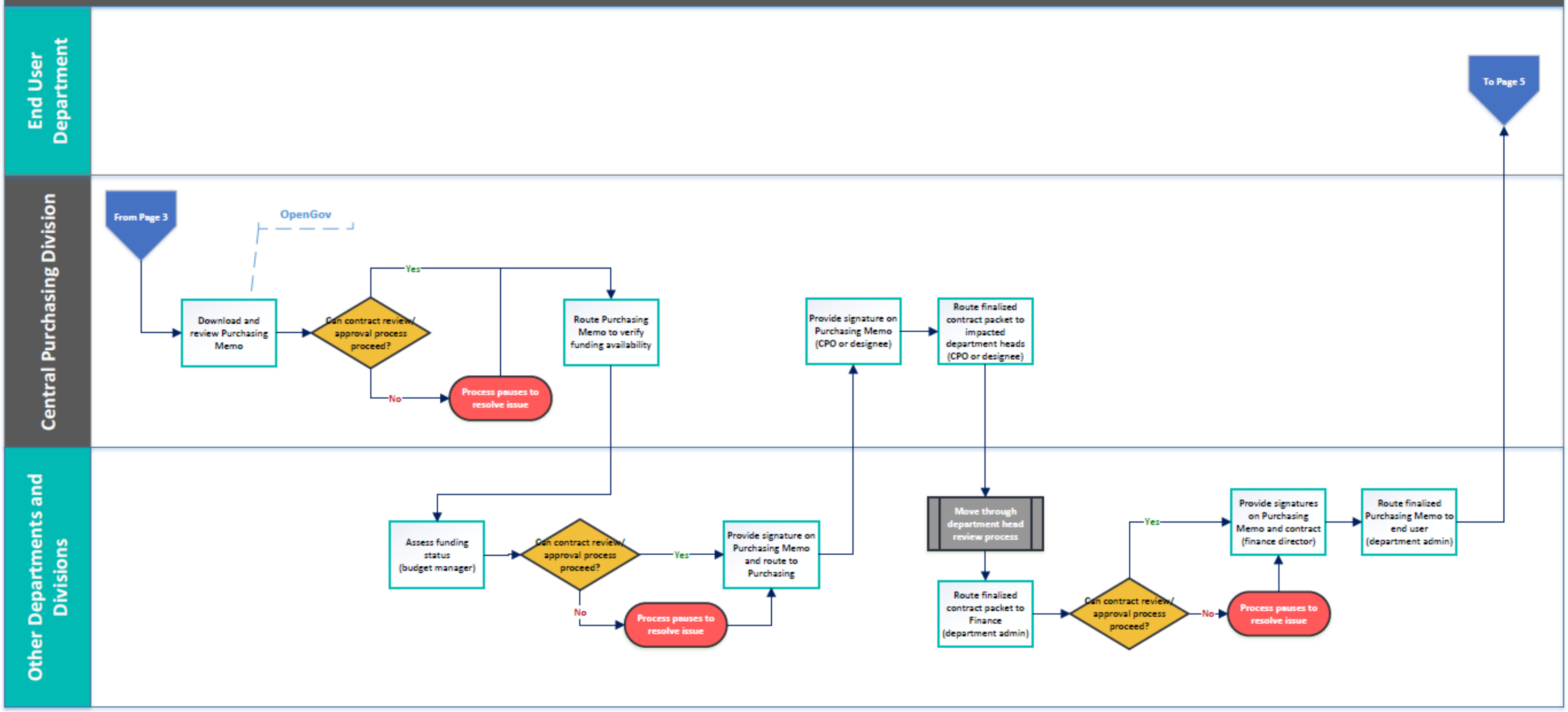



*Notes*:
*[5]The first meeting is held to primarily clarify scope and the second meeting is to discuss fee. Vendor-requested changes to contractual terms and conditions is typically not address in either meeting.*
*[6]The tentative award letter includes request for required documents such as certificate of insurance with appropriate endorsements, and bonds, business/vendor registration and other information as may be required.*
*[7]Some departments send the draft contract to vendor prior to City Attorney's Office review; others wait for negotiation guidance before sending.*

**City of Santa Fe Procurement Process Review**
June 24, 2026

## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State (page 4 of 6)

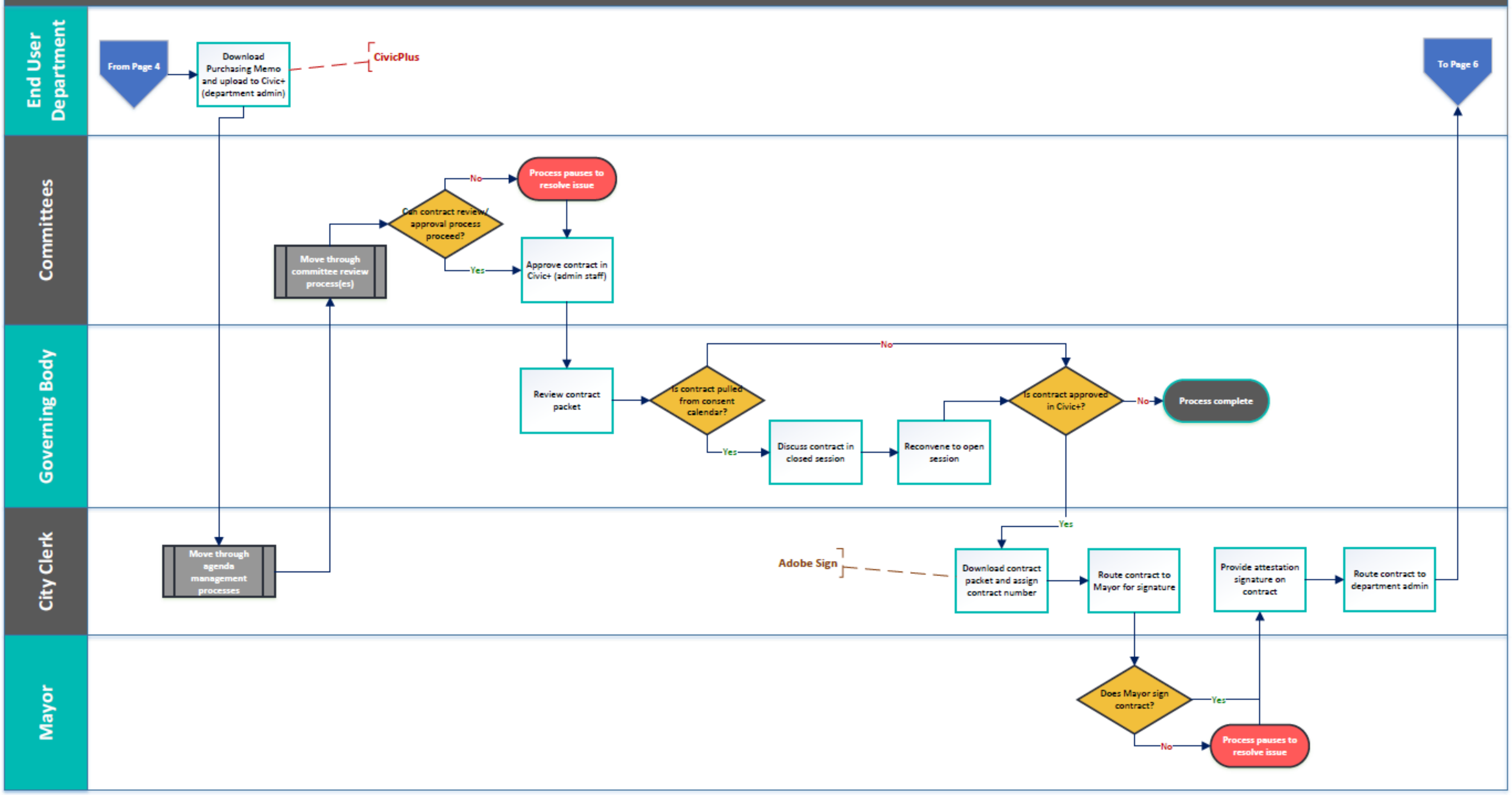
### Contract negotiation, approval, and execution phases



**City of Santa Fe Procurement Process Review**
June 24, 2026

## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State (page 5 of 6)

### Contract negotiation, approval, and execution phases



**City of Santa Fe Procurement Process Review**
June 24, 2026

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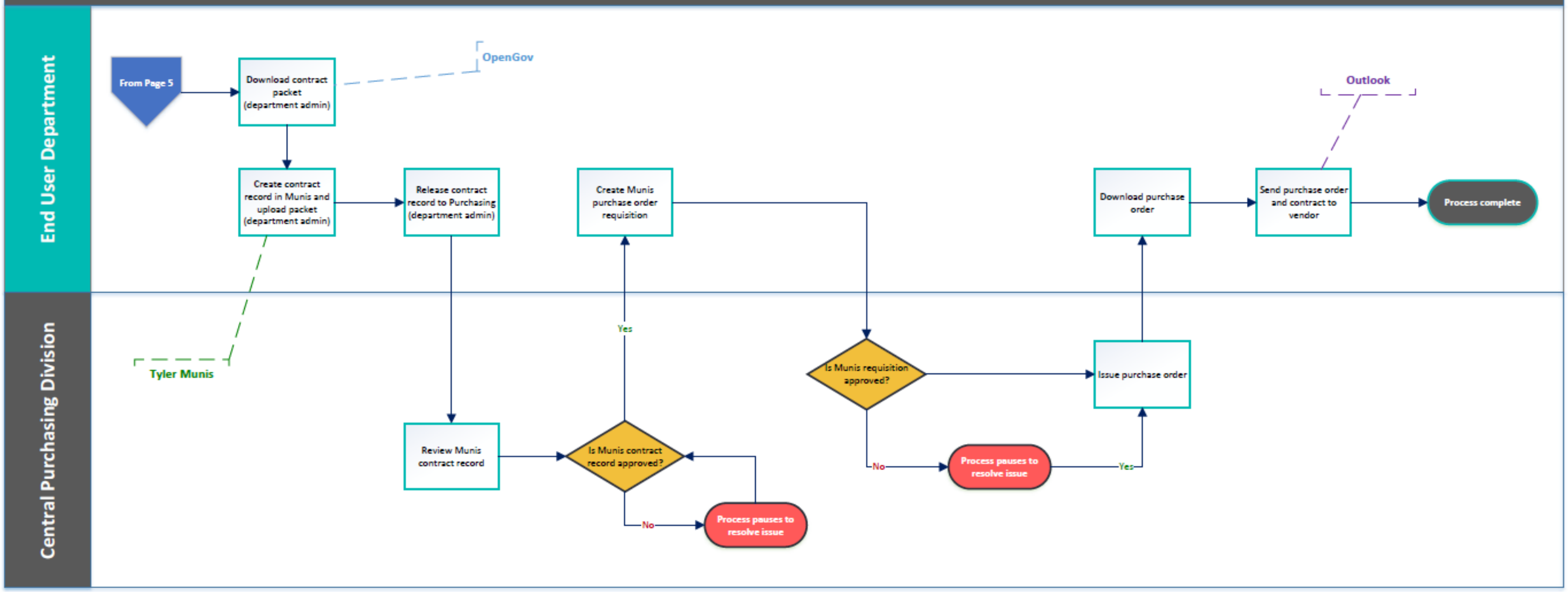
## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State (page 6 of 6)

### Contract negotiation, approval, and execution phases



## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Current State – Use of Technology Key

**Contract negotiation, approval, and execution phases**

All Process Stakeholders

### Technology Systems Key

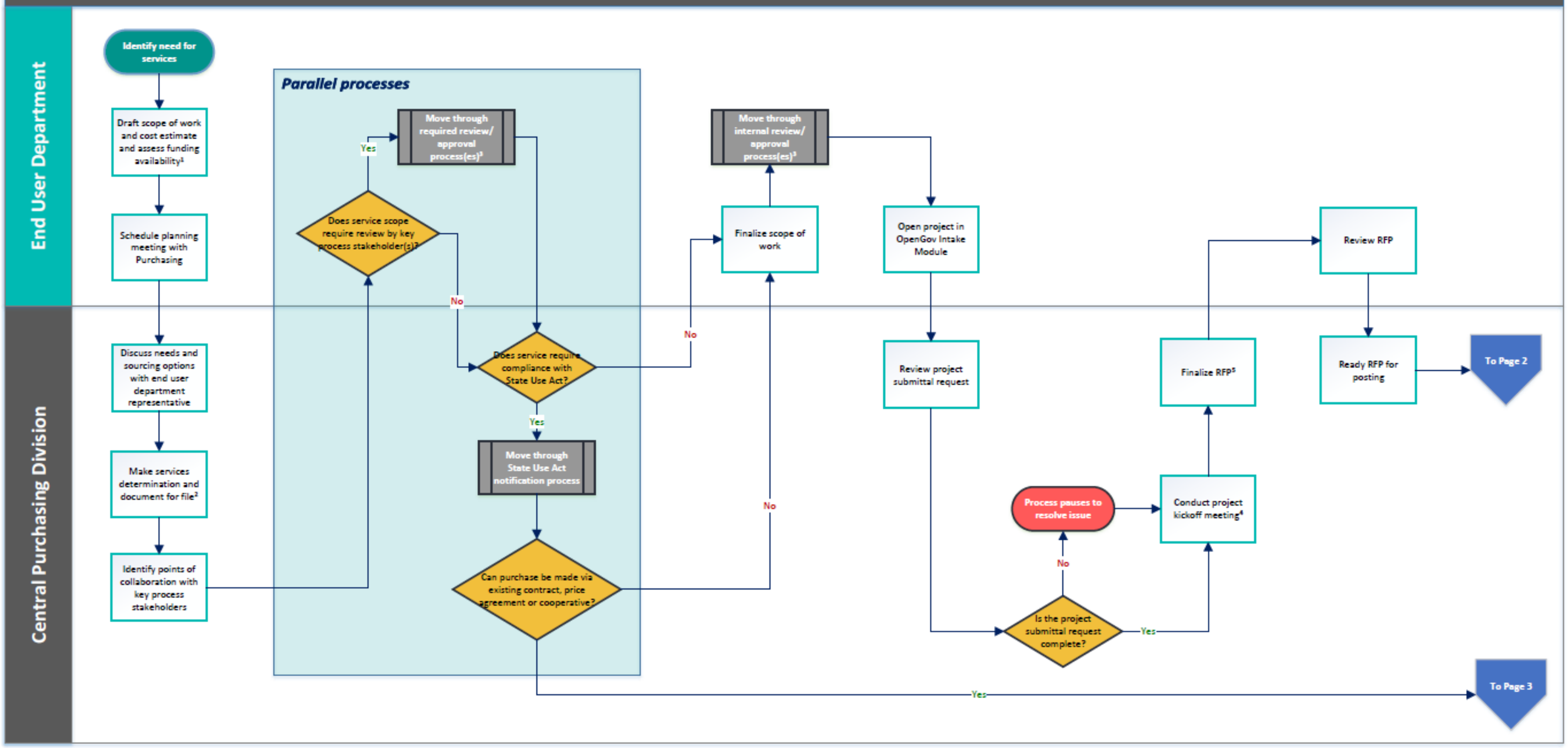
1. Outlook
2. OpenGov
3. JotForm
4. Box
5. Adobe Sign
6. CivicPlus
7. Tyler Munis

# Appendix B: Future State Process Map

**City of Santa Fe Procurement Process Review**
June 24, 2026

**Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Future State (page 1 of 6)**

**Pre-solicitation phase**




***Notes*:**
*[1]Known or anticipated funding issues must be communicated to the Budget Division at this juncture.*
*[2]The services determination documentation is retained at this step for incorporating into the Purchasing Memo.*
***[3]Required review/approval processes conducted in accordance with Purchasing checklist.***
*[4]RFP process timeline, evaluation team members, and evaluation criteria are determined at this juncture, followed by scheduling of tentative calendar holds for initial evaluation of written submittals and interviews.*
*[5]At this step, the scope of work is matched to the "front-end" boilerplate, including the City's standard contract template, and the public notice is prepared.*

**City of Santa Fe Procurement Process Review**
June 24, 2026

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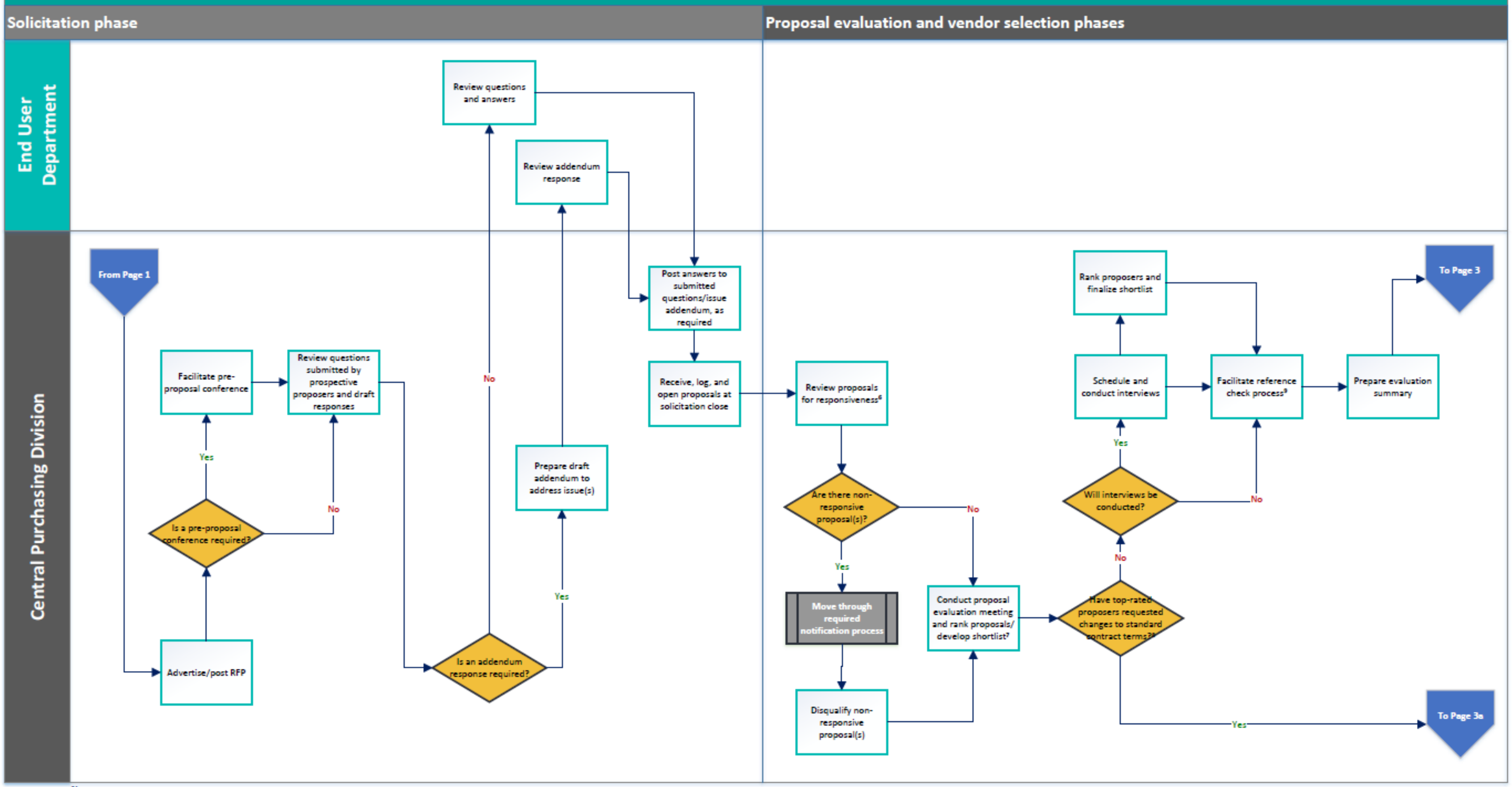
## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Future State (page 2 of 6)




***Notes:***
*[6]Responsiveness check includes initial review of requested changes to the City's standard contractual terms and conditions (standard terms).*
*[7]At this juncture, shortlisted proposers are notified of anticipated interview days and windows of time.*
*[8]If the top one to three proposers (those reasonably in line for contract award) requested changes to the City's standard terms, the redlines should be readied for City Attorney Office review at this time.*
*[9]Purchasing leads the reference check process for shortlisted proposers, with department support as requested.*

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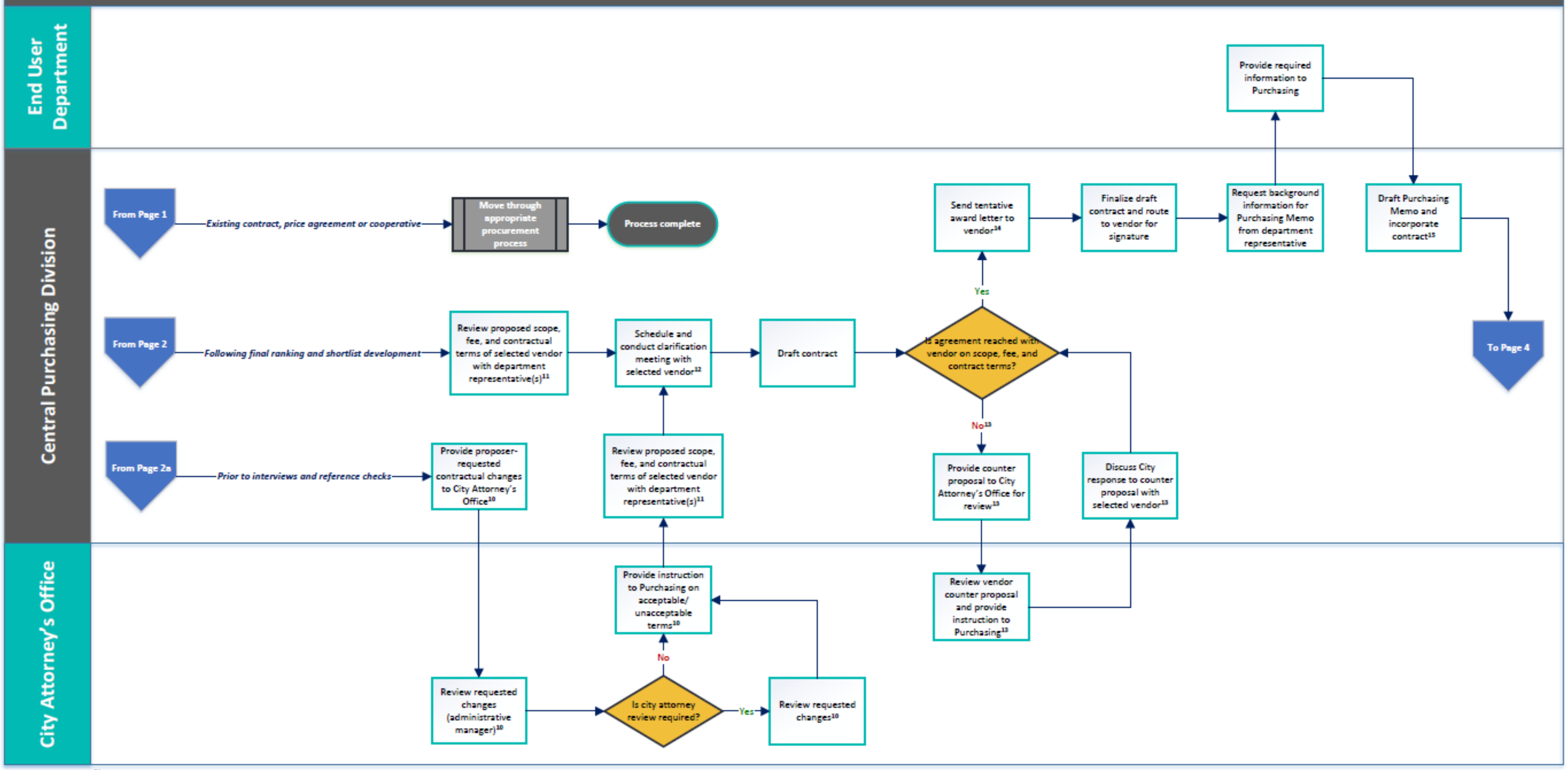
City of Santa Fe Procurement Process Review
June 24, 2026

## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Future State (page 3 of 6)

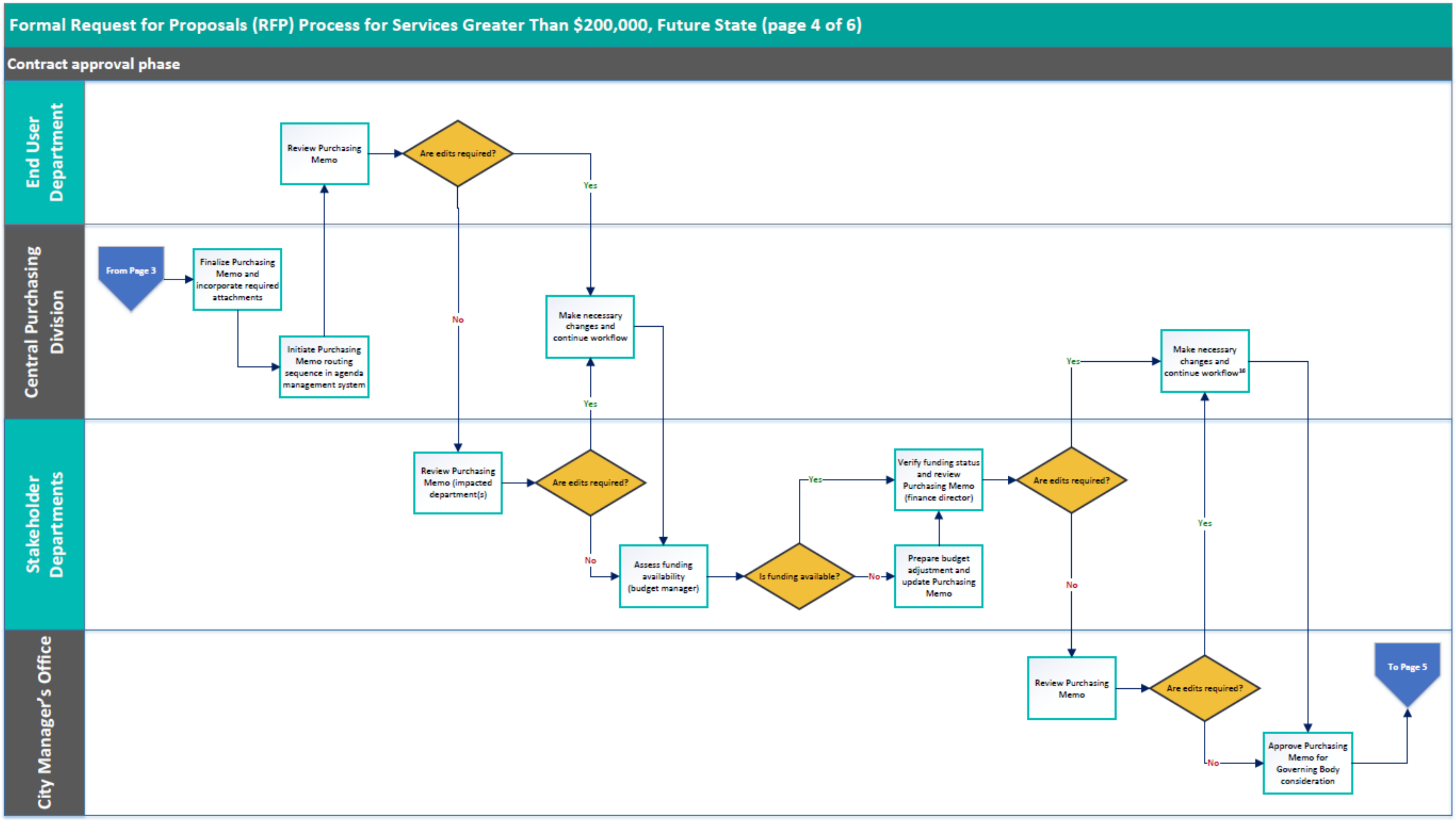
### Contract negotiation and approval phases




***Notes:***

*[10]Assessing requested contract changes of the top one to three proposers (those reasonably in line for contract award) at these junctures facilitates efficient negotiations and can identify potential "deal breakers" early in the process.*
*[11]This step is to determine areas of scope and fee to discuss with selected vendor in preparation for the clarification meeting and to review potentially problematic contractual terms and conditions.*
*[12]This step may require department representative and/or key stakeholder involvement.*
*[13]This process may repeat until agreement is reached and may require department representative and/or key stakeholder involvement. If agreement is not reached with selected vendor, negotiation process may commence with second highest rater proposer or other action as deemed appropriate by Purchasing.*
*[14]The tentative award letter includes request for required documents such as certificate of insurance with appropriate endorsements, and bonds, business/vendor registration and other information as may be required.*
*[15]The services determination and other relevant documentation is incorporated at this juncture.*

**City of Santa Fe Procurement Process Review**
June 24, 2026

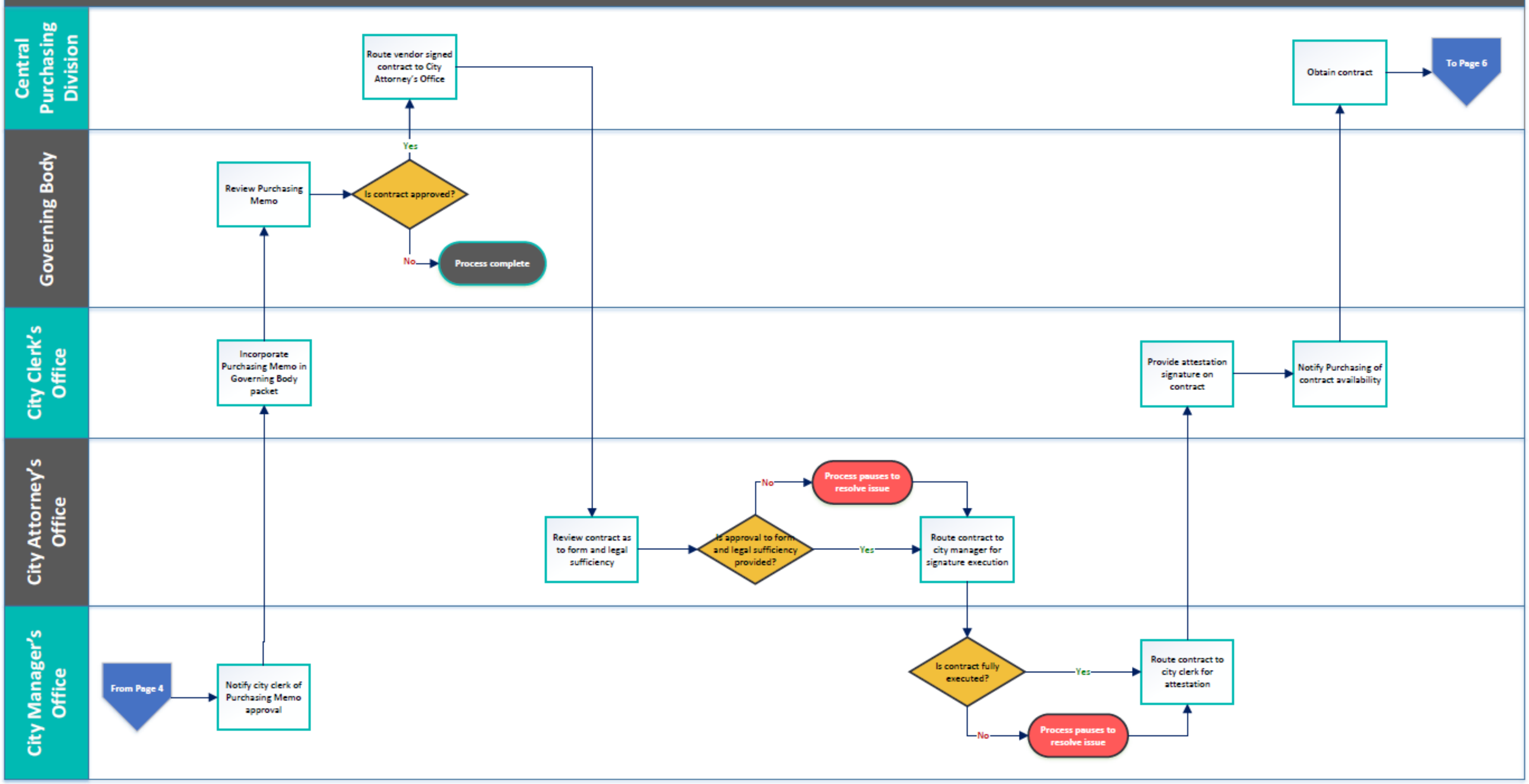



***Notes*:**
*[16]This step may require involvement of the budget manager if edits to the budget adjustment are required.*

**City of Santa Fe Procurement Process Review**
June 24, 2026

## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Future State (page 5 of 6)

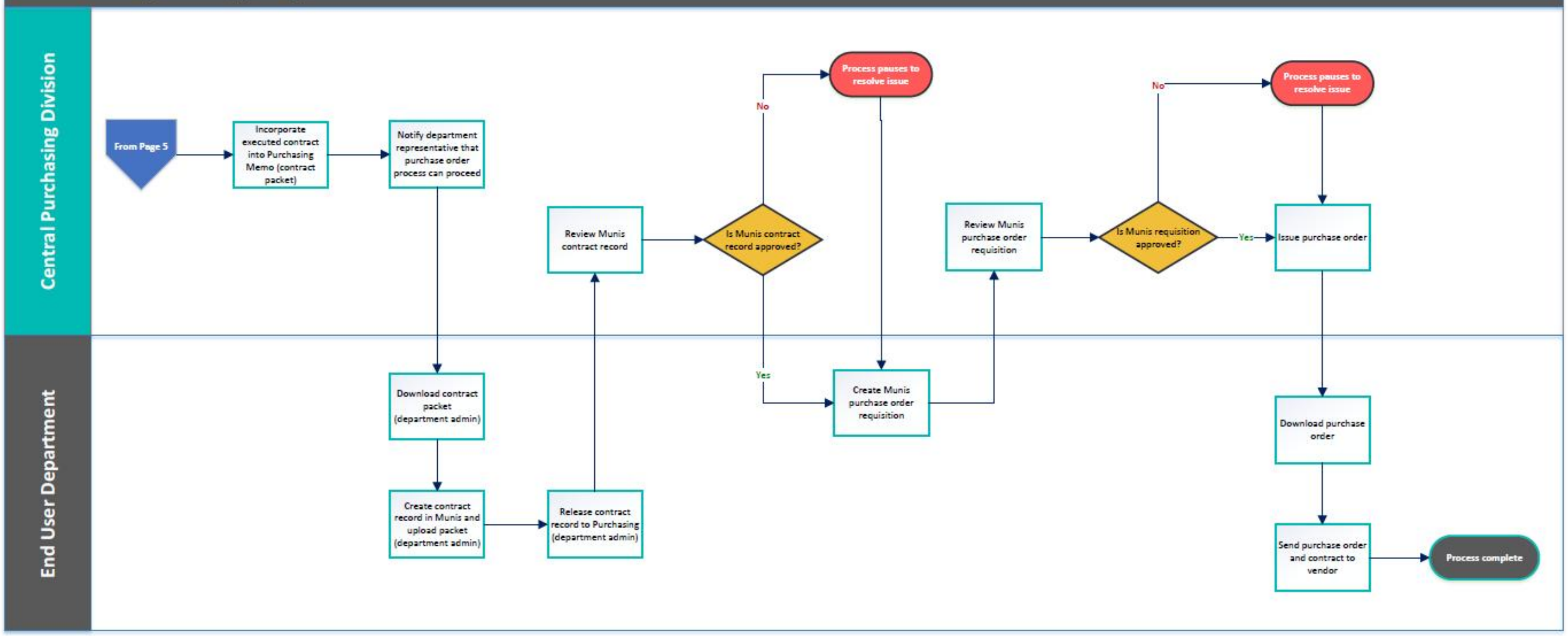
### Contract approval and execution phases



City of Santa Fe Procurement Process Review
June 24, 2026

## Formal Request for Proposals (RFP) Process for Services Greater Than $200,000, Future State (page 6 of 6)

### Purchase order request and approval phases



# Appendix C: Recommended Workflow Changes for Procurement-Related Tasks

This appendix summarizes the recommended workflow changes by procurement cycle phase, implementation complexity, and recommended implementation timing. While many routine workflow changes can be implemented in the short term, others will require additional planning because of policy, procedural, technology, structural, and change management considerations. Successful implementation will also require continued collaboration between Purchasing and user departments to help ensure anticipated efficiency gains and quality improvements are realized while staffing and organizational changes are implemented.

The level of complexity is defined as follows:

- **Low:** Straightforward, can be implemented without delay with minimal workload impacts
- **Medium:** Some process complexity that requires policy and/or procedural changes, basic system configurations, and higher levels of collaboration between departments
- **High:** Significant policy and procedural considerations and/or systems configurations/consolidations that have cost implications

| RECOMMENDED WORKFLOW CHANGES FOR PROCUREMENT-RELATED TASKS | | | |
|---|---|---|---|
| **Procurement Cycle Phase/Task** | **Workflow Change** | **Level of Complexity** | **Implementation Timing** |
| **Pre-Solicitation Planning** (Recommendations 1, 2, and 3) | | | |
| • Improved procurement planning | • Within departments | • Low | • Short-term (1 to 3 months) |
| • Department review and approval of work scopes | • Within departments | • Medium | • Short-term |
| • Services determinations, State Use Act compliance, and identification of alternative procurement methods | • Departments to Purchasing | • Medium | • Short-term |
| **Solicitation** (Recommendation 4) | | | |
| • Facilitating pre-proposal conferences | • Departments to Purchasing | • Low | • Short-term |
| • Preparing evaluation summaries | • Departments to Purchasing | • Low | • Short-term |
| **Contract Negotiation** (Recommendations 5 and 6) | | | |
| • Earlier review of vendor-requested changes by City Attorney | • Departments to Purchasing | • Low | • Short-term under pilot approach |

| RECOMMENDED WORKFLOW CHANGES FOR PROCUREMENT-RELATED TASKS | | | |
|---|---|---|---|
| • Changes to clarification meetings workflow | • Departments to Purchasing | • Low | • Short-term under pilot approach |
| **Contract Preparation**<br>(Recommendations 5 and 6) | | | |
| • Purchasing preparation of draft contract | • Departments to Purchasing | • Medium | • Short-term under pilot approach |
| • Vendor signature routing change | • City Attorney to Purchasing | • Medium | • Medium-term (3–6 months) |
| • Move City Attorney contract approval as to form and legal sufficiency | • Within City Attorney's Office | • Medium | • Medium-term |
| **Contract Review and Approval**<br>(Recommendations 7, 8, and 9) | | | |
| • Purchasing memo preparation<br>• Memo review workflow | • Departments to Purchasing<br>• Interdepartmental | • Medium | • Longer-term (greater than six months) |
| • Systems consolidation (OpenGov and Civic Plus to Civic Plus) | • Not applicable | • High | • Longer-term |
| • Finance Director funding verification | • Not applicable | • Medium | • Medium-term |
| • Incorporation of City Manager in workflow | • Not applicable | • Medium | • Short-term |
| • Elimination of Committee review process | • Not applicable | • Medium | • Medium-term |
| • Policy and procedural changes for RFP process integrity | • Not applicable | • High | • Longer-term |
| **Contract Execution**<br>(Recommendation 10) | | | |
| • Delegation provisions for contract signing authority | • Mayor to City Manager | • High | • Longer-term |
| • Code of Ordinance changes for clarity | • Not applicable | • High | • Longer-term |

# Appendix D: Additional Considerations for Policy Changes

This appendix summarizes potential opportunities for policy and procedural changes discussed with staff members throughout the engagement. A thorough analysis has not been conducted to determine which of opportunities would constitute departures from the state procurement code, which would require resources beyond the scope of our engagement. However, we wanted to provide the City with a list of items surfaced so a more comprehensive list is included in this document for future consideration.

- **Dollar threshold alignments.** In 2023, the City Manager's contract approval threshold was increased to $200,000, while the threshold for budget authorization requests to accept grants[3] (BARs) is $60,000. Consideration may be given to increasing the authorization threshold for approving BARs to $200,000 for consistency with contract approval thresholds.
- **Indexing provisions for dollar threshold adjustments.** The upward adjustment of market prices is inevitable over time, yet local contract approval thresholds typically do not keep pace, which can lead to process inefficiencies. Consideration could be given to establishing an indexing provision based on the regional consumer price index or a similar indicator. Such a provision can help facilitate timely changes. Policy changes could include authorization to index thresholds via resolution adoption or delegation of the authority to the City Manager with periodic reporting to the Governing Body.
- **Clarify definitions of contract approval authority.** The authority for approving contract changes is not clear and greater policy clarity is desired. In our experience, determining contract approval authority by what constitutes a "single transaction" can be helpful for decision making. For example, an initial purchase contract would constitute a single transaction. If an amendment to that contract is needed to add cost, the single transaction would be the amount of the initial contract plus the added amount. On the other hand, the single transaction associated with the approval of a multi-year contract should be the total value of the purchase over the course of the agreement term.

  Additional clarity could be gained by specifying the differences between contract amendments (material scope changes and dollar value increases that may impact approval authority) and contract extensions (lengthening of contract duration to complete work without impacting scope or cost).
- **Clarify differences between solicitation exceptions and exemptions.** Certain purchases of goods and services may not adapt well to competitive solicitations and may be entirely exempted from such processes. Examples include bonds, insurance, utility payments, membership dues and subscriptions, conferences, and media advertisements.

  Conversely, certain goods and services that could otherwise be procured via competitive solicitations may be eligible for an exception to such a solicitation. Examples include sole or

[3] The City is currently considering other changes to the way grants are authorized to create administrative efficiency.

single source procurements, equipment or component parts that must be compatible with existing equipment, or purchases made in conjunction with cooperative purchasing programs.

The City may wish to build these distinctions into policy and/or procedural requirements for clarity and consistency. From this perspective, exemptions would not be considered as part of the process used to determine if a solicitation is required or whether the sourced procurement method is justified.

- **Bid protest procedures.** To the extent the City is following state procurement code requirements for bid protests, the City may wish to consider establishing alternative bid protest procedures. As one example, the state procurement code allows any “aggrieved bidder or offeror” to file a protest without clearly defining whether the aggrieved party is an actual or prospective bidder/offeror, or if the aggrieved bidder/offeror was reasonably in line for contract award. These scenarios can result in increased protest activity that requires process pauses and/or solicitation cancellation.[4]
- **Local business preference policy.** During our engagement, it was mentioned that the City is contemplating changes to its local business preference policy, which currently includes variable percentage bid or proposal discounts to qualified local vendors based on the type of solicitation and estimated dollar value.

  Depending on many factors, local preference policies can range from generalized support for doing business with local vendors to highly specific and complex evaluation factors. Some cities apply local preferences only to procurements for goods based on lowest-bid contract awards due to the complexities of applying preference percentages to best value procurements that consider factors in addition to cost.

  The level of complexity can be dictated by state law (or federal regulations associated with grant-funded purchases) as well as local policies tied to socio-economic or environmental goals, data analysis, or the results of a contracting disparity study.

  Our engagement did not include analysis that would support specific recommendations for policy changes to the City’s local business preferences. Rather, our intent is to highlight some of the approaches and complexities associated with these policies so they may be considered as part of future discussions.

[4] Some states have laws that specifically and literally allow “any aggrieved party” to file protests whether an actual bidder or not. Consequently, protest activity can be significantly higher and operationally disruptive.