

PROCUREMENT POLICY

00075 Version 25

Approval Date 4/1/2026

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1. Basis and Purpose

1.1. Basis

Pursuant to § 6.10 of the City Charter and Chapter 12, Article 1 of the City Code, Colorado Springs Utilities' (Utilities) Chief Executive Officer (CEO) is responsible for the operation of Utilities, may adopt Utilities Enterprise Policies applicable to the operations and finances of Utilities, and may delegate the CEO's authority to adopt Enterprise Policies concerning matters applicable to an operational unit to such unit's staff. This Procurement Policy (Policy) is promulgated in accordance with such delegated authority and with Utilities' Excellence in Governance Policy Manual.

This Policy references Utilities' Signature & Approval Authority Policy, which is a separate policy document that sets forth the authority delegated to staff to execute contracts and other documents on behalf of Utilities.

1.2. Purpose

This Policy aims to encourage effective competition by promoting a fair and open procurement procedure that allows any business, regardless of size or ownership, to compete to satisfy Utilities' needs for goods and services. The Policy is also intended to help ensure expenditures are carried out in a prudent manner and to ensure a procurement procedure of quality and integrity. The Policy will be construed and applied to promote these goals.

2. Scope and Exemptions

2.1. Scope

Unless exempt under Section 2.2 of this Policy, this Policy applies to all Contracts entered into by Utilities, any of its units, and Utilities' joint ventures. It also applies to all Internal Stakeholders, Business Users, and Suppliers, including prospective Suppliers, participating in procurements of goods and services for Utilities.

2.2. Exemptions

The following transactions and types of Contracts are exempt from this Policy unless contained within a Contract otherwise subject to this Policy:

- 2.2.1. Leasing, rental, licensing, title work, appraisals or disposition related to real property;

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- 2.2.2. Mutual aid agreements;
 - 2.2.3. Intergovernmental Agreements;
 - 2.2.4. Executive Agreements;
 - 2.2.5. Purchases of insurance policies to protect Utilities' assets from accidental damages, liability, and potential losses;
 - 2.2.6. Purchases and/or sales of energy commodities, including, but not limited to, gas, power, coal, oil, propane, purchased power, financial options on commodities, and transmission capacity for those commodities;
 - 2.2.7. Financial instruments and options for the issuance of debt obligations, swaps, hedges, and investments of Utilities;
 - 2.2.8. Medical services required by the occupational health clinic; and
 - 2.2.9. Legal retention services as approved and executed by the City Attorney's Office – Utilities Division (CAO – Utilities Division).
- 3. Roles and Responsibilities of Procurement Services, the Procurement Manager, and Utilities' employees**

Utilities' employees have an over-arching obligation to act in the interest of Utilities' ratepayers and must perform their official functions and duties, and exercise any discretionary powers, in ways that promote the ratepayers' interests.

All Contracts not exempt under Section 2.2 must be coordinated, managed, and executed through the Procurement Services Department (Procurement).

Procurement is administered by and under the general supervision of the Procurement Manager.

- 3.1. **Procurement Manager** or an employee of higher signature authority has the following authority and responsibilities, which may be delegated to Procurement staff as directed by the Procurement Manager:
 - 3.1.1. To determine and adopt policies and procedures consistent with this Policy for the procurement of goods and services;

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3.1.2. In the event of substantially equal Bids or Proposals, to award a Contract to the Supplier whose responsive and responsible Bid or Proposal appears to offer the greatest positive local spend; and

3.1.3. To consider and decide all matters within the provisions of this Policy;

3.2. **Procurement staff** have the following authority and responsibilities:

3.2.1. To execute Contracts and Purchase Orders in accordance with this Policy and the Signature & Authority Policy;

3.2.2. To purchase or contract for all supplies and services needed for any Utilities department; and

3.2.3. To award a Contract using any procurement strategy that serves the Best Interest of Utilities.

3.2.4. Execute contractually binding commitments on behalf of Colorado Springs Utilities.

4. Compliance with Relevant Laws and Policies

4.1. Federal, State and Other Applicable Law

Utilities must comply with all applicable federal, state, and City laws and regulations to the greatest extent possible. Utilities Contracts shall include appropriate Contract language to demonstrate compliance with relevant statutory requirements as may be recommended from time to time by the CAO – Utilities Division.

Any questions regarding legal requirements shall be directed to Procurement Services and/or the CAO – Utilities Division, as appropriate.

5. Terms and Abbreviations

After-the-Fact Procurement – A commitment to procure services or goods made prior to or otherwise outside the normal Procurement procedure. Procurement will evaluate each situation to determine the appropriate method of payment and contractual course of action. Types of After-the-Fact Procurements include Emergency Procurements and Unauthorized Procurements.

Amendment – A legal document that adds, alters, or removes a certain part or term of an existing legal document (i.e., a Contract or Task Order).

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Award – The acceptance of a Bid or Proposal; the presentation of a Purchase Order or Contract to a Supplier.

Best Interest of Utilities – A term granting a Procurement Staff member the authority to use defensible discretion to take action that is determined to be the most advantageous to Utilities, including Award of a Contract to the best Bid/Proposal.

Bid – An offer, as a price, whether for payment or acceptance, given to Utilities by a Supplier in response to a solicitation for a Utilities' Contract.

Bid Bond – A document that guarantees, on acceptance of a Bid by Utilities, the Supplier shall proceed with Contract execution as presented by Utilities.

Blanket Contract – A Contract established to provide predetermined goods or services as defined in the Statement of Work or Specifications. A Blanket Contract enables the use and creation of a blanket release/Task Order or the ability to use a P-Card under the pre-established terms and conditions of the Blanket Contract.

Business User – Utilities employees needing goods or services from Suppliers; such employees must obtain the required goods or services through Procurement to negotiate and contract with Suppliers. Business Users are also referred to as internal customers and requesters in Procurement forms and procedures.

Change Order – A written order executed by a Supplier and Utilities, or Engineers as needed, on or after the effective date of the Contract that authorizes an addition, deletion, or revision in the work or an adjustment in the Contract price or Contract times.

Colorado Labor – Any person who is a resident of the state of Colorado at the time of a relevant Public Works project, without discrimination as to race, color, creed, sex, sexual orientation, marital status, national origin, ancestry, age, or religion except when sex or age is a bona fide occupational qualification. A resident of the state of Colorado is a person who can provide a valid Colorado driver's license, a valid Colorado state-issued photo identification, or documentation that the person has resided in Colorado for the last thirty days.

Conflict of Interest – A situation that has the potential to undermine the impartiality of a person because of the possibility of a clash between the person's self-interest and professional interest or public interest.

Contract – A legally binding document between two or more legally competent parties (usually, for the purpose of this Policy, Utilities and a Supplier); "Agreement" is synonymous with "Contract".

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Cure Notice – A written notice informing a Supplier that Utilities considers the Supplier in default of a Contract, and that Utilities may terminate the Contract for cause if the Supplier does not cure or correct such default within a specified time period.

Direct Pay – A payment issued by Accounts Payable for an invoice that is not for work provided for in a Contract or Purchase Order.

Emergency – A sudden, unexpected situation, or impending situation, which may:

- threaten public health, safety, or welfare;
- disrupt essential utility services; or
- require immediate action to prevent the following:
 - exacerbation of the situation; or
 - significant loss, damage, or financial impact;

which, therefore, requires immediate attention and remedial action.

Emergency Procurement – An After-the-Fact Procurement made without following the standard Procurement procedures due to an Emergency.

Evaluation – The procedure of opening, examining, and evaluating Proposal and Bid responses to determine the Supplier' responsibility, responsiveness, value, and other factors associated with selection for Contract award.

Evergreen Contract – A Contract that automatically renews after the expiration date indefinitely until one party gives the notice to terminate.

Executive Agreement – An agreement made between Utilities and another enterprise or department of the City of Colorado Springs.

Formal Sourcing Event – A solicitation for goods or services (to include Public Works) that is open to the public and published via the Procurement System.

Informal Sourcing Event – A solicitation for goods or services (to include Public Works) that is open to an appropriate short list of Suppliers, often with existing Blanket Contracts in order to achieve the best value of Utilities.

Intent to Award – A public notification indicating Utilities intents to award a Contract to one or more Suppliers, pending further actions as applicable (i.e., compliance review, evaluation of responsibility and responsiveness, negotiations, Contract execution, etc.). The details of the Sourcing Event remain confidential until the Notice of Award is published.

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Intergovernmental Agreement – A Contract made between Utilities and another governmental entity (other than the City of Colorado Springs).

Internal Stakeholders – Utilities work groups or departments, other than Procurement, that have a vested interest in procurement activities and a responsibility to perform appropriate due diligence to mitigate risks related to Utilities use of Suppliers to provide goods or services. Examples include, but are not limited to, Information Technology, Safety & Health, and Enterprise Risk Management.

Invitation for Bid (IFB) – A Sourcing Event for goods or services in which a solicitation is issued to prospective Suppliers requesting price quotations that contain, or incorporate by reference, the Specifications or Statement of Work and all contractual terms and conditions. IFB's are non-negotiable, unless only one quotation is received. Award is based on the lowest responsive and responsible Bid based on the requirements of the IFB.

Local Business – A business headquartered in El Paso County, Colorado.

Notice of Award – A public notification indicating Utilities' final decision to award a Contract to one or more Suppliers. Upon issuance of the Notice of Award, the Sourcing Event is no longer confidential and is subject to disclosure pursuant to CORA.

Notice of Final Settlement – The public advertisement that announces Utilities' intent to release Retainage on a Public Works Contract.

Notice to Proceed (NTP) – A written directive from Utilities to a Supplier stating the date the Supplier can begin work, subject to the conditions of the Contract.

Payment Bond – A security instrument, issued by a surety, that guarantees subcontractors will be paid for labor and materials expended on the Contract.

Performance Bond – A security instrument, issued by a surety, that guarantees performance of the Contract.

Policy – Consists of an organization's rules and regulations that reflect its goals and values. These policies ensure consistency and compliance by guiding decisions, protecting customer privacy, managing risks, and maintaining high standards across the organization.

Preliminary Notice – a written notice informing a Supplier of deficiencies in Contract performance and requesting the Supplier to correct such deficiencies; a Preliminary Notice does not take the place of a Cure Notice, but may be used as a preliminary step to attempt to address deficiencies in performance before issuance of a Cure Notice.

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Procurement Card (PCard) – A procurement method that allows authorized individuals (cardholders) to purchase goods and services for a valid business purpose without going through the Purchase Order procedure, as allowed by the P-Card Policy.

Procurement System - A unified approach, using digital and non-digital means, to manage the intake, sourcing, and contracting for Utilities' required goods and services. The Procurement System may include multiple software platforms and procedures.

Proposal – A Supplier's offer to provide goods or services submitted in response to a Sourcing Event.

Protest – A written statement by a Supplier with a direct economic interest requesting remediation of an unresolved disagreement or controversy arising out of the solicitation or award of a Contract.

Public Works – the construction, erection, alteration, repair, maintenance, or improvement of any building, road, structure, highway, bridge, viaduct, tunnel, pipeline, public works, real property, or facility, or any other work dealing with such construction, which includes, but need not be limited to, moving, demolition, or excavation performed in conjunction with such work.

Purchase Requisition - Maximo (PRM) – A request in Maximo that identifies the general ledger accounts and Work Orders for issuance of Purchase Orders and payments when associated with Contracts or Purchase Orders.

Purchase Order (PO) – A Utilities' document which formalizes a purchase transaction with a Supplier. A Purchase Order contains statements as to quantity, description, price, terms, discounts, date of performance, transportation, and other factors pertinent to the purchase and its execution by the Supplier. Acceptance or performance of a Purchase Order by the Supplier creates a Contract.

Recommendation of Award (ROA) – A confidential and internal Utilities document completed before the Intent to Award that summarizes the Sourcing Event, Evaluation procedure, and the basis for the Award of a Formal Sourcing Event. The ROA is confidential until the Notice of Award is issued but may be subject to disclosure pursuant to CORA after issuance of the Notice of Award.

Release PO – A Utilities document indicating types, quantities, and prices for goods or services from an existing Blanket Contract that formalizes an order to a Supplier.

Request for Information (RFI) – A standard business procedure, normally following a format that can be used for comparative purposes, to collect written information about the capabilities of various Suppliers. A Contract may not be awarded from an

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RFI; instead, an appropriate competitive procedure must be completed to award a Contract (RFP, IFB, etc.).

Request for Proposal (RFP) – A Sourcing Event for goods or services in which competitive Proposals are solicited from Suppliers. Award is based on the response deemed to be most advantageous, including from negotiations, in terms of criteria designated, combining both technical and cost considerations.

Request for Quotation (RFQ) – A Sourcing Event in which written quotes for price and delivery meeting minimum quality requirements/Specifications are solicited from Suppliers. Award is based on lowest Responsive and Responsible Bidder /Respondent.

Responsible Bid – A Bid that adequately addresses the requirements of the Statement of Work or Specifications, complies with legal and regulatory requirements, and indicates the Supplier has reasonable assets, such as qualified personnel, equipment, knowledge base, and financial capacity, to complete the Contract.

Responsible Bidder/Respondent – A business entity or individual that submits a Bid or Proposal that fully conforms in all material respects to the solicitation and all of its requirements, including all form and substance, and that has the financial and technical capacity to perform the requirements of the solicitation and subsequent Contract.

Retainage – A specified amount or percentage of the progress payment due usually under a construction Contract. Upon completion of all Contract requirements, retained amounts must be paid according to Contract terms.

RFx – A catch-all acronym that captures all references to Requests for Information (RFI), Requests for Proposal (RFP), Requests for Quote (RFQ), and Invitations for Bid (IFB) or a two-step procurement.

Single Source Procurement – A noncompetitive procurement that is permitted when, despite the existence of multiple suppliers, only one is considered based on specific criteria. (i.e. availability, timeliness, locality, etc.).

Sole Source Procurement – A noncompetitive procurement that is permitted when a good or service is available from only one known supplier due to its unique characteristics, proprietary nature, or legal exclusivity.

Sourcing Event – An event that follows a defined strategic sourcing methodology in which Utilities defines a procurement need, issues a competitive solicitation or RFx, invites Supplier participation, receives and evaluates submissions, and selects and awards a Contract or Purchase Order.

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Specifications – Documentation that states, in prescriptive terms, what the Supplier must provide to Utilities, such as a description of the physical, functional, or performance characteristics, or the nature of a supply, service, or construction item. A Specification includes, as appropriate, requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

Statement of Work (SOW) – A written statement that specifically describes the phases of work or services, major tasks, or areas of responsibility the Supplier is to perform at a particular site, or within a particular locale during a stated period. A SOW describes Utilities' requirements and desired outcomes for the work and becomes the basis for any resulting Sourcing Event or Contract.

Supplier – Any individual, firm, corporation, partnership, joint venture, association, or other entity that provides goods, services, work, or materials to Utilities; undertakes execution of a contractual document (i.e., Contract or Purchase Order); or responds to a RFX under the procurement procedure. For purposes of this Policy the following are synonymous with Supplier: contractor; bidder, respondent, offeror, vendor, and consultant.

Task Order – Utilities' request for Supplier to provide specific goods and services under the terms and conditions of an existing, broader, Task-Order Enabled Contract; a Task Order is effective only on agreement by both Utilities and Supplier.

Task-Order Enabled Contract – A Contract between Utilities and Supplier establishing the terms and conditions on which a Supplier will provide goods and services to Utilities, with such goods and services to be more specifically described in subsequent Task Orders between the Parties.

Unauthorized Procurement – An After-the-Fact Procurement that results from an agreement, commitment, or order for goods or services not in compliance with this Policy or by an individual that does not have express written authority or delegation to bind Utilities contractually.

Work Change Directive – A Work Change Directive, including Engineering Work Change Directive, is a formal written instruction issued by Utilities that directs the Supplier to perform a change in the work, as defined in the Contract, before the parties have reached agreement on the cost or time implications of that change. A WORK CHANGE DIRECTIVE IS NOT A BINDING CHANGE TO A CONTRACT.

6. Internal Stakeholder Review Requirements

All requests for the purchase of goods and/or services may be required to go through one or more of the following non-Procurement Department review procedures as

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mandated by these Internal Stakeholders. External department requirements are identified below but are not limited to this list.

6.1. Legal Review

Review by CAO – Utilities Division, unless using established unaltered forms and templates already approved as to form by the CAO – Utilities Division. Procurement-related Sourcing Event and Contract legal reviews shall be initiated by Procurement.

6.2. Enterprise Risk Management / Insurance Requirements

Review is required for all purchases, except goods, requiring insurance provisions.

6.3. Information Technology / Cyber / Regulatory & Compliance

Review is required for all technology related purchases.

6.4. Safety and Health

Review is required per Safety and Health policy.

6.5. National Electric Regulatory Commission (NERC)

Review is required only for work at a designated NERC facility where the Supplier will not be escorted by Utilities.

6.6. Regulatory & Compliance

Review is required per the Gas Operator Qualifications (PHSMA) or Colorado Department of Transportation requirements (CDOT).

7. Commitment of Funds

Contracts and Purchase Orders, and changes to such documents, must not be executed until approved in the Procurement System per the Signature and Approval Authority Policy, unless otherwise approved by the Procurement Manager.

All Contracts must include appropriation provision consistent with the City Charter.

8. Direct Pay Request (Accounts Payable Policy 10874)

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Reference Policy 10874 for a list of goods and services that can be paid for via Direct Pay.

9. Purchase Requisitions - Maximo (PRM)

Purchase Requisitions - PRs within Maximo will be approved according to the Signature and Approval Authority Policy for any expenditure of funds after execution of a Contract document and prior to issuance of a Purchase Order unless the Purchase Order is for the procurement of stock items.

10. Competition & Sourcing Event (RFQ, RFP, IFB, SOQ, RFI)

All information related to Sourcing Events is considered confidential until the Intent to Award is published. All employees will maintain confidentiality until such publication.

10.1. Formal Sourcing Events

The following minimum competition requirements apply to the procurement of goods and/or services, unless otherwise exempted by this Policy:

10.1.1. Formal Sourcing Events are required for all goods and/or services where the total spend for a unique / one-time purchase (project) is greater than \$250,000, or the annual spend is greater than \$250,000. Such Formal Sourcing Events will be owned and led by Procurement. Formal Sourcing Events are required to be posted publicly, allowing any interested entity to respond.

10.1.2. The schedule for a Formal Sourcing Event will be mutually agreed upon by Procurement and Business User. As it relates to the Supplier's response time, the following minimum timelines apply: Formal RFP (20 Business Days); Formal RFQ/IFB (15 Business Days). Deviations from these timelines must be approved by the Procurement Manager in the Procurement System or with a memo.

10.2. Small Procurement

The procurement of goods and/or services in which the total spend for a unique / one-time purchase (project) is less than \$250,000, or the annual spend is less than \$250,000, is considered a small procurement and competition is not required.

If it is agreed upon between Procurement and the Business User that it is in the Best Interest of Utilities to perform a Formal Sourcing Event, as described above, it is allowed under this Policy.

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10.3. Request for Information (RFI)

An RFI can be used to gain information related to a Business User's need including methods, available goods or services, potential Supplier identification, budgetary costs, and other preliminary market research. Contracts are not executed as a result of an RFI. The Supplier's response time shall be a minimum of five business days.

10.4. Statement of Qualifications (SOQ)

Shall be requested via the Procurement System when a two-step, pre-qualification of Suppliers based on pass/fail criteria is needed to short list Suppliers for goods and/or services. An SOQ must be followed by an RFP or IFB before a Contract can be executed, unless deemed unnecessary by Procurement.

10.5. Exemptions to Minimum Competition Requirements

Minimum competition requirements shall apply to all Contracts except those meeting the conditions specified below.

10.5.1. Single Source / Sole Source Procurement

When the total spend for a unique / one-time purchase (project) is greater than \$250,000 or the annual spend is greater than \$250,000, and there is a justification for waiving competition in accordance with Single Source or Sole Source as defined in this Policy. Justification of Single Source / Sole Source Procurement shall be based on reasons why the requestor needs to procure the goods or services from a specific qualified source, and reasons why there is no alternate source who can provide the desired goods or services to meet the requestor's need.

The Business User, with guidance from Procurement, shall complete the Justification Form and include all compelling and justifiable reasons as to why it is neither practical nor in the Best Interest of Utilities to perform a competitive Sourcing Event for the goods or services. The form includes detailed requirements and supporting documentation to submit with each request.

A Single Source / Sole Source Procurement must be approved by the requestor's General Manager or Officer based on the justification documentation submitted before Procurement can begin related Procurement activities.

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10.5.2. Emergency Procurements

Emergency Procurements may be made when an Emergency arises.

Emergency Procurements shall be limited to providing only goods or services that are necessary to mitigate only the specific Emergency condition.

When practicable during the next business day, the Business User shall notify and collaborate with a Sourcing Supervisor or higher in the hierarchy to leverage existing acquisition options and competition to the extent practicable.

The Business User shall obtain approval from the appropriate budget-owning General Manager or any Officer via a signed Emergency Procurement Form within five business days of the Emergency being identified.

If it is determined that the Emergency Procurement did not result from a valid emergency, the procurement action will be identified as an Unauthorized Procurement.

10.6. Unauthorized Procurement

Utilities Business Users who do not comply with this Policy may be subject to the provisions of Utilities' Personnel Policy Manual and other policy documents.

The approved Unauthorized Procurement Form will be submitted to Procurement through the Procurement System.

Unauthorized Procurements include, but are not limited to, the following which require after-the-fact justification and approval as stated herein:

- 10.6.1. Signing a Contract without proper authority;
- 10.6.2. Ratification of invoices, including Release PO or standard PO issuance after the invoices or deliverables are received (including work under a Task Order enabled Contract prior to the Task Order being executed by Procurement);
- 10.6.3. Obtaining or accepting goods or services without a Contract executed by Procurement, unless other approved procedures were allowed (such as P-Card, Direct Pay, Work Change Directive);

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- 10.6.4. Obtaining goods or services outside the scope of a Contract;
- 10.6.5. Obtaining goods or services through expired Contracts;
- 10.6.6. Obtaining goods or services which exceed maximum release amounts or the contracted not to exceed amount, if applicable;
- 10.6.7. Splitting procurements to circumvent the Procurement Policy and procedures;
- 10.6.8. Not following the change management, Emergency Procurement, or Sole/Single Source Procurement procedure (includes approving, signing, or authorizing work without having the proper authority); and
- 10.6.9. Any action directly contrary to what Procurement directs.

10.7. **After-the-Fact Procurement**

When an Emergency Procurement is initiated, or Unauthorized Procurement is processed, a task will be documented in the Procurement System to determine the appropriate contractual course of action and related method of payment. The Procurement Manager will approve the method of payment and contractual course of action.

If the decision is to execute a bilateral contract, Procurement will work with the Business User, the Supplier, and CAO – Utilities, as appropriate, to execute the Contract.

If use of a standard Purchase Order is approved, the General Provision for Goods (GPs) will be incorporated into the Purchase Order. If the supplier will not accept the standard GPs, other terms and conditions may be used as approved by the Procurement Manager.

11. **Contract Award**

Award of a Contract shall follow the following requirements and conditions.

11.1. **Recommendation of Award (ROA)**

The review and approval of the Recommendation of Award (ROA) shall be signed in accordance with the Signature and Approval Authority Policy. ROA's will be required for all Formal Sourcing Events.

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11.2. Intent to Award

A written Intent to Award is required to be published for all Formal Sourcing Events. The ROA is required to be approved prior to the publication of the Intent to Award. The timing of publication of the Intent to Award depends on the procurement strategy.

11.3. Protest Waiting Period Prior to Contract Execution

A Contract or a Purchase Order that will be awarded under a Formal Sourcing Event cannot be executed for at least three (3) business days from date of the publication of Intent to Award. This waiting period is required in order to avoid the risk associated with entering into a Contract or Purchase Order that could be protested under the Protest section.

11.4. Protest

Any Supplier for a Sourcing Event whose direct economic interest would be directly affected by the award of a Contract or Purchase Order, or by the award to another Supplier, may protest in writing to the Procurement Manager. A Protest can be filed based on either the Sourcing Event procedure or the award procedure.

For a Protest based on alleged improprieties during the Sourcing Event procedure, the Protest shall be received by the Procurement Manager before the Bid opening or the closing date for receipt of Proposals.

For a Protest based on alleged improprieties during the award procedure, the Protest shall be received by the Procurement Manager no later than three (3) business days after issuance of the notice of Intent to Award, except when the Supplier requests additional information prior to filing a Protest.

Suppliers have three (3) Business Days after the publication of the Intent to Award to request non-confidential public information regarding the award.

The Supplier requesting the information has one (1) business day from the receipt of the requested information to submit a Notice of Intent to Protest. Such notice must be in writing and clearly detail the underlying basis for the protest.

11.4.1. Subject of Protest

Protestors may file a Protest during any phase of a solicitation or award (subject to the timelines indicated in the Protest section),

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including but not limited to, protesting a procedure, Specification, award, or disclosure of information marked confidential in the Bid or offer. However, prior to submission of a protest, all parties shall use their best efforts to resolve concerns through open and frank discussions. Under no circumstances may a determination by the Procurement Manager of positive local spend impacts form a subject matter or basis for a Bid protest.

11.4.2. Form and Content of Protest

The written Protest shall be concise and logically presented, and shall specifically detail the underlying basis of the Protest to facilitate review by Utilities. Failure to substantially comply with any of the requirements of this section may be grounds for dismissal of the Protest.

Protests shall include, at a minimum, the following:

- Name, address and telephone number of the protestor.
- Appropriate identification of the RFx (i.e., IFB #, RFP#, Title of RFx)
- Detailed statement of the alleged issues for the Protest.
- Copies of relevant documents substantiating the Protest.
- Statement as to the form of relief requested.
- All information establishing that the protestor is the actual or prospective primary offeror for the purpose of filing a Protest.
- All information establishing the timeliness of the Protest.

11.4.3. Decision

The Procurement Manager or designated representative shall provide a written determination to the protestor within five (5) Business Days after receiving all relevant requested information.

11.4.4. Appeal of Decision

If such written determination from the Procurement Manager, or designee, sustains the prior position of Utilities, the protestor may file an appeal to the General Manager, Supply Chain, within three (3) business days after receipt of the written determination by the Procurement Manager or designee. Both response and appeal procedure time limits may be extended upon mutual agreement. The General Manager, Supply Chain, may elect to:

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- Render an immediate decision on the matter, especially regarding matters that are specifically addressed in this Policy;
- Request additional documentation or meetings with parties involved prior to rendering a decision;
- Select a panel of two (2) or more professional procurement officials not associated with Utilities, and not involved with the protested requirement, to jointly conduct a hearing with individuals on either side of the issue; or
- Utilize any other method deemed appropriate to bring the matter to timely resolution.

The decision of the General Manager, Supply Chain, shall be final and shall complete the administrative procedure. The General Manager, Supply Chain, shall issue the final decision within fifteen (15) business days after receiving such an appeal unless extended by mutual agreement by both parties involved. The final decision does not preclude the protestor from pursuing further legal action allowed by the laws of Colorado.

11.4.5. Stay of Procurement During Protest

Upon receipt of a Protest in accordance with the foregoing sections, Utilities will not proceed further with solicitation or award of a Contract until administrative remedies have been exhausted, or until a written determination is made that Contract award without delay is necessary to protect substantial interests of Utilities. Such determination shall be approved by the General Manager, Supply Chain.

12. Contract Negotiation

12.1. Procurement Authority

Procurement shall lead all Contract negotiations in the Best Interest of Utilities with Internal Stakeholders, Business Users, and CAO – Utilities Division participation when appropriate.

12.2. Risk Management Committee Authority

The Risk Management Committee has the authority to approve execution of Contracts that do not comply with CAO – Utilities Division and Internal Stakeholder requirements.

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13. General Contract Requirements

13.1. Contract Language

All Utilities Contracts not exempt under Section 2.2 of this Policy must meet the following requirements:

- 13.1.1. Must use only unmodified template Contract documents previously “Approved as to Form” by the CAO – Utilities Division, or must be “Approved as to Form” by the CAO – Utilities Division after review of modifications.
- 13.1.2. Alterations to exhibits required by Internal Stakeholders must be reviewed and approved by the applicable Internal Stakeholder and CAO – Utilities Division when necessary.
- 13.1.3. Any requirements of a grant including, but not limited to, competition requirements, Colorado Labor preferences, prevailing wage requirements, and other flow down provisions shall be incorporated into a Sourcing Event or Contract.
- 13.1.4. Terms and conditions that the CAO – Utilities Division has delegated approval authority to Procurement do not require approval as to form.

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13.2. Contract Duration

The length or duration of a Contract for goods and/or services will be mutually agreed upon by Procurement and the Business User. Termination for convenience language must be reflected within Evergreen Contracts unless otherwise approved by Procurement in consultation with the CAO – Utilities Division.

13.3. Contract Pricing

Unless an exception is approved by the Procurement Supervisor or higher authority, Procurement shall include a pricing and rates section or exhibit in each Contract that defines the pricing structure, terms, milestone payments, and/or the specific rates to be paid. Procurement shall negotiate Contract pricing structures to accommodate funding approvals, limit risks, and control costs to Utilities by aligning payment structures to when services are rendered to, or the benefit is realized by Utilities.

13.4. Conflict of Interest

For any Sourcing Event, Utilities will make a reasonable effort to ensure that no Conflict of Interest exists via the Evaluator, Observer, and Executive Sponsor certificates. Reference Utilities' Personnel Policy Manual for further clarification as it relates to any purchase of goods and/or services.

13.5. Non-Colorado Corporations

When required to perform a Contract in Colorado, Suppliers must obtain (and make available upon request) a valid certificate from the Secretary of the State of Colorado to do business in the State of Colorado.

14. Public Works Sourcing Events and Contracts

14.1. Application for Payment and Schedule of Values

Suppliers shall submit Application for Payments and Schedule of Values per the Contract terms in the amount of work that has been completed up to the point the Application for Payment was submitted. Utilities shall not approve Applications for Payment for work not completed (see Unauthorized Procurements).

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14.2. Retainage

When Utilities holds Retainage on Public Works Contracts, the following requirements apply.

- 14.2.1. Unless otherwise approved by the Procurement Manager, Retainage of five percent (5%) of the Contract value shall be withheld for all Public Works Contracts and Task Orders for verifiable work accomplished by the Supplier. Retainage is withheld when the Contract is \$500,000 or greater in cost. If the duration of the Contract is two months or less and there are no subcontractors, Procurement has the authority to waive Retainage.
- 14.2.2. When a Public Works Contract, Task Order, or Release PO is less than \$500,000, Retainage is optional, or a lump sum of no more than \$25,000 may be withheld.
- 14.2.3. Partial Release of Retainage - A Partial Release of Retainage shall be approved by a Procurement Supervisor and shall be documented in the Procurement System. A Partial Release of Retainage shall be approved for the benefit of a subcontractor(s). A Partial Release of Retainage shall not be advertised unless the majority of the Retainage is being released.
- 14.2.4. Final Release of Retainage - A Final Release of Retainage Application for Payment shall not be approved without the following documentation:
 - Certificate of Substantial Completion
 - Schedule of Values
 - Lien Waivers when subcontractors were used on the project
 - Consent of surety when bonds were requested
 - Subcontracting plan report

14.3. Notice of Final Settlement

The Notice of Final Settlement shall be publicly advertised for thirty (30) calendar days to place Suppliers on notice as to Utilities' intent to make final payment by a prescribed date and to require that any and all claims under the referenced Contract must be filed before the prescribed deadline. Retainage shall not be released to Supplier if a claim is received during the 30-day advertisement period.

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14.4. Bonds

The following bond requirements apply to Public Works Contracts

14.4.1. Bid Security

14.4.1.1. IFB's for Public Works projects equal to or over \$500,000 shall require the submission of Bid security, using the prescribed Utilities Bid Bond in the amount of five percent (5%) of the Bid amount, inclusive of addendums. Bid security is optional for Public Works projects less than \$500,000. If a Supplier fails to accompany the Bid with the required Bid security, and in an acceptable form and amount as defined above, the Bid shall be rejected as non-responsive.

Acceptable Bid security must meet one of the following acceptable forms:

- A one-time Bid Bond underwritten by a company licensed to issue bonds in the State of Colorado.
- A bank cashier's check made payable to "Colorado Springs Utilities".
- A bank certified check made payable to "Colorado Springs Utilities".
- An irrevocable letter of credit, in a form acceptable to Utilities.

14.4.1.2. RFPs for Public Works Contracts equal to or in excess of \$500,000 shall require the submission of a letter from the Supplier's bonding agent indicating the Supplier's bonding capacity is adequate to undertake the work.

14.4.2. Payment / Performance Bonds

Performance and Payment Bonds will be required for all Public Works Contracts or Task Orders expected to equal or exceed \$500,000 in the amount of 100% of the Contract price.

Utilities multi-year Blanket Contracts under which individual Release POs may equal or exceed \$500,000 shall require bonding in an amount equal to two (2) times the maximum Release PO amount. For example, if the Release PO may be up to \$750,000, the required bond amount for such contract would be \$1,500,000.

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Bond(s) must be submitted on bond form(s) prepared and approved by the CAO - Utilities Division, and executed by a surety company authorized to do business in the State of Colorado, per the Department of the Treasury's Listing of Approved Sureties to verify surety's status, <https://www.fiscal.treasury.gov/surety-bonds/circular-570.html>.

Public Works Contracts shall not be executed until acceptable Performance and Payment Bonds are received, reviewed, and determined acceptable to Utilities.

- 14.4.2.1. Bonds Required Because Of Change Orders - In the event Payment and Performance Bonds were not obtained at Contract execution, but changes to the Contract increase the Contract value to \$500,000 or more, Payment and Performance Bonds will be obtained prior to executing the Change Order or Amendment.
- 14.4.2.2. Bond Riders - Riders to bonds shall be obtained from the Supplier as required by the Performance and Payment Bond forms. Riders to such bonds shall be obtained from the Supplier when the aggregate amount of the amended value is more than \$10,000 or 10%, whichever is greater, over the amount of the bonds received to date, including riders.
- 14.4.2.3. Additional Bonding - If at any time during the performance of a Contract, Release PO, or Task Order, a surety on the Supplier's bond becomes irresponsible, Supplier shall provide at Utilities' request additional and sufficient sureties to provide bonds.

14.5. Notice to Proceed

A Notice to Proceed or Limited Notice to Proceed shall be issued for all Public Works Contracts and associated Task Orders before work can begin.

14.6. The Keep Jobs in Colorado Act (C.R.S. § 8-17-101, et seq.)

All Public Works Contracts financed in whole or in part by funds of the state of Colorado or of counties, school districts, or municipalities of the state of Colorado shall contain provisions for the preference in employment of Colorado Labor. Utilities may waive this requirement if there is reasonable evidence to demonstrate insufficient Colorado Labor to perform the work of the project and if compliance would create an undue burden that would substantially prevent a

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project from proceeding to completion. Such waiver shall be approved by the Procurement Supervisor

14.7. Davis-Bacon Act (Construction Wage Rate Requirements Statute)

All Contracts and subcontracts awarded under a prime Contract between a state or federal agency and Utilities which exceeds \$2,000 requires Davis Bacon Act compliance unless the grant terms state differently. The \$2,000 threshold for compliance pertains to the amount of the prime Contract, not the Contract value of individual subcontracts. If the prime Contract exceeds \$2,000, all work on the project is covered by the Davis Bacon Act. Procurement is required to verify that the Supplier(s) selected are not on the federal debarment/suspension list on www.sam.gov.

15. Contract Administration

15.1. Contract Oversight

If a Supplier was paid or directly involved in design or Specification preparation of a Utilities project and is hired to provide Contract administration services, these services shall not include contractual authority, or responsibility for oversight, including Change Order and payment approval, unless the Procurement Manager has provided written approval.

A Supplier or any affiliated firm of that Supplier is not allowed to Bid on or respond to an RFx in which they are being paid or have volunteered their service for either Contract oversight or design, without written approval of the Procurement Manager or delegate.

A Supplier shall not be granted contractual or financial authority for conducting a Sourcing Event procedure, approving change documents, or obligating Utilities financially on the Contract for which they are providing oversight or design services, unless the Procurement Manager has approved that such role will not be unduly discriminatory.

15.2. Change Orders or Amendments

Changes to a Statement of Work, Specifications, or the performance period of a Contract may be made if the change is determined to be within the original scope and purpose of the Contract. Any Contract change shall be justified in writing with a written Amendment or Change Order per the provisions in the Contract. Utilities shall not make substantial changes to the original scope and purpose of the Contract via a Change Order or Amendment; instead, a new Procurement project request must be submitted in the Procurement Tool.

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Change Orders and Amendments can only be executed by Procurement per the Signature and Authority Policy.

15.3. Work Change Directive

A Work Change Directive does not change the Contract price or Contract time but serves as evidence that the parties expect the change to the work, as defined in the Contract, will be incorporated into a subsequently issued Change Order or Amendment.

Key Characteristics

- **Mandatory:** Unlike a Change Order, which is based on mutual agreement, a Work Change Directive is **unilateral** and must be followed by the Supplier.
- **Temporary:** A Work Change Directive must be followed by a formal **Change Order or Amendment once the terms are agreed upon.**
- **Legal Basis:** A Work Change Directive must be **authorized by the original Contract;** otherwise, the Supplier may not be obligated to comply.

These directives are typically issued when **time is critical**, and Utilities needs the Supplier to proceed without delay, even though the final cost or schedule impact will be negotiated later.

The following situations may not be completed via a Work Change Directive:

- Authorizing a Guaranteed Maximum Price (GMP) Contract
- Amending Contract legal terms and conditions
- Changing Contract rates
- Ordering planned long lead time goods
- Changes that are not part of the Work as defined by the Contract
- Changes that are not time constrained and for which a Change Order or Amendment can be completed based on Procurement Service level targets.

15.4. Supplier Performance Remedies – Legal Notices

Procurement will consult with the CAO – Utilities Division when addressing Contract ambiguities, interpretation issues, or contractual performance issues to minimize legal risks.

As soon as a Business User suspects or knows that a Supplier is having difficulty meeting its contractual obligations or complying with any Contract terms, the Business User shall notify Procurement. Procurement, the Business User, and the CAO-Utilities Division shall then cooperatively review Utilities'

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options under the Contract and determine an appropriate course of action. Procurement will issue a written notice to the Supplier documenting Utilities' concerns. If there is a bond in place, the bonding agency shall be notified of any performance issues.

Options for written notices will vary depending on the terms of the Contract, but may include the following:

15.4.1. Procurement may, after consultation with the Business User and the CAO – Utilities Division, issue a Preliminary Notice to a Supplier outlining observed performance deficiencies and requesting corrections. Unless required by the Contract, a Preliminary Notice does not need to be issued before a Cure Notice. A Preliminary Notice warns a Supplier of performance deficiencies and requests corrections before Utilities issues a Cure Notice.

15.4.2. Procurement may, after consultation with the Business User and the CAO – Utilities Division, issue a Cure Notice if: (1) the Supplier has failed to correct deficiencies in accordance with a Preliminary Notice; or (2) a Preliminary Notice is not required or Utilities chooses not to issue a Preliminary Notice, and the Supplier is in default of a Contract.

15.4.3. Procurement may, after consultation with the Business User and the CAO – Utilities Division, issue a notice of termination for cause and terminate a Contract if a Supplier fails to cure or correct a default within the time period specified in the Cure Notice.

Note: All Contract termination notices, whether for termination for cause or termination for convenience, require review and approval of CAO – Utilities Division.

15.5. Stop Work Notice

Stop Work Notices may be issued to stop work temporarily per the reasons stated in the Contract including failure to follow the Supplier Safety Management Program requirements. When an informal Stop Work is issued by an Internal Stakeholder or Business User, formal notification shall be issued by Procurement.

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15.6. Suspension and Debarment

The Procurement Manager shall have the authority to suspend or debar a Supplier from consideration for award of Contracts with Utilities as herein provided.

15.6.1. Suspension

A suspension may be issued if there are reasonable grounds to believe that such Supplier has engaged in activities that may lead to debarment. Suspensions shall be for a temporary period pending completion of an investigation and, if applicable, such legal proceedings as may ensue or be commenced. During any period of suspension, Bids or Proposals will not be solicited from the Supplier or prospective Supplier and, if received, will not be considered.

After consultation with the Business User and the CAO – Utilities Division, the Procurement Manager may suspend a Supplier from consideration for award of Contracts. A notice of suspension shall be sent to the suspended Supplier or prospective Supplier. Such notice shall:

- provide a description of the grounds upon which it is believed the Supplier has engaged in activities that may lead to debarment.
- state that the suspension shall be for a temporary period pending completion of an investigation and, if applicable, such legal proceedings as may ensue or be commenced;
- inform the suspended Supplier or prospective Supplier that Bids or Proposals will not be solicited from the Supplier or prospective Supplier and, if received, will not be considered during the period of suspension; and
- inform the Supplier or prospective Supplier of the right to appeal as provided in the Utilities Procurement Policy.

A Supplier or prospective Supplier shall be suspended upon issuance of the notice of suspension. In no event may a suspension extend beyond eighteen (18) months unless legal proceedings have been initiated within that period.

For purposes of this Policy, the conduct of an individual may impact the suspension of a Supplier or prospective Supplier based on factors such as the individual's position with the Supplier or prospective Supplier; such individuals include but are not limited to officers,

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directors, partners, managers, key employees, or other principals of the Supplier or prospective Supplier.

Within ten (10) business days after the date of the notice of suspension, the Supplier may submit to the Procurement Manager any relevant opposition to the notice of suspension. Such opposition shall be in writing and shall include relevant documents upon which the opposition is based. The Procurement Manager will review timely submitted opposition submissions and notify the Supplier that (i) the notice of suspension has been withdrawn, based on the opposition submitted, (ii) an informal meeting will be held within thirty (30) calendar days of the receipt of the timely submitted opposition, and at such meeting, the Supplier may present relevant information orally and in writing supporting opposition to notice of suspension, or (iii) the suspension shall remain in effect pending completion of an investigation and, if applicable, such legal proceedings as may ensue or be commenced. If the Supplier fails to submit such written opposition within the specified period of ten (10) business days or fails to attend any meeting scheduled under the above subsection (ii), then no further review shall be available.

During the suspension period, the Supplier shall make all relevant documents, records, and information available to the Procurement Manager as may be requested. Failure to comply fully with this requirement shall be sufficient grounds for initiating debarment proceedings.

The Procurement Manager may lift the suspension upon completion of the investigation unless legal proceedings are planned or initiated. Upon completion of the investigation, the Procurement Manager will notify the Supplier in writing that the suspension is lifted or that it remains in place pending initiation of legal proceedings.

15.6.2. **Debarment**

After consultation with Internal Stakeholder, Business User, and the CAO – Utilities Division, the Procurement Manager may proceed with debarment for any of the reasons set forth in Section 16.6.2.1 of this Policy. A debarment shall not be for a period of more than five (5) years; except that, if a Supplier is convicted of a crime specified as a basis for debarment, the length of the debarment period must, at a minimum, equal the length of the confinement sentence including the period of mandatory parole, if imposed, or the length of the probation sentence. During any period of debarment, Bids or Proposals will not

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be solicited from the Supplier or prospective Supplier and, if received, will not be considered.

15.6.2.1. A Supplier may be debarred for any of the following reasons:

15.6.2.1.1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;

15.6.2.1.2. Conviction under local, state, or federal laws of embezzlement, theft, forgery, bribery, falsification, or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty that currently, seriously, and directly affects responsibility as a Utilities' Supplier;

15.6.2.1.3. Conviction under state or federal antitrust statutes arising out of the submission of Bids or Proposals;

15.6.2.1.4. Conviction of fraud or criminal acts while performing as a prime Supplier, subcontractor or supplier on any Utilities or City of Colorado Springs Contract, including those not associated or written by Utilities or the City of Colorado Springs.

15.6.2.1.5. Violation of Contract provisions, as set forth below, of a character which the Procurement Manager considers to be so serious as to justify debarment action, including, but not limited to:

15.6.2.1.5.1. Failure without good cause to perform in accordance with the Specifications or within the time limit provided in the Contract;

15.6.2.1.5.2. A recent record of failure to perform or of unsatisfactory performance with the terms of one (1) or more Contracts; provided that failure to perform or unsatisfactory performance caused by acts beyond the control of the Supplier shall not be considered to be a basis for debarment; or

15.6.2.1.5.3. Without limitation in any manner of the foregoing subsections (1) and (2), (A) is observed doing work

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pursuant to a Contract in a manner that is blatantly unsafe and potentially risking serious injury or death; or (B) is observed and provided notice of repeated minor or major safety issues on a Contract and fails to immediately resolve the safety concerns or has numerous safety concerns arise throughout the course of any Contracts with Utilities or the City of Colorado Springs.

- 15.6.2.1.6. Default on the payment of any taxes, license fees, or other moneys due Utilities or the City of Colorado Springs;
 - 15.6.2.1.7. Violation of the City's Code of Ethics by offering gifts or gratuities to a direct official; or
 - 15.6.2.1.8. Any other cause the Procurement Manager determines to be so serious and compelling as to affect responsibility as a Utilities Supplier, including but not limited to (A) debarment by another governmental entity, (B) failure to provide documents, records, and information requested by the Procurement Manager during the course of an investigation, or (C) repeatedly performing unsatisfactory work for the City of Colorado Springs or Utilities.
- 15.6.2.2. A written notice of debarment shall be sent to the debarred Supplier by certified mail, return receipt requested. The notice shall inform the debarred Supplier of the right to appeal the debarment decision as provided herein.
- 15.6.2.3. A debarment decision will take effect twenty (20) business days after the date the written notice of debarment is sent by certified mail unless an appeal of the debarment is filed during that time. After the debarment decision takes effect, the Supplier shall remain debarred for the debarment period specified in the decision unless a court, the Supply Chain General Manager (or assignee), or the Procurement Manager who issued the debarment decision orders otherwise.
- 15.6.2.4. If an appeal is filed by the debarred Supplier prior to the effective date of the debarment, the Supplier will be suspended from consideration for award of Contracts until the appeal has been resolved. In the event the appeal is denied, the debarment shall be effective on the completion of the initial twenty (20) business day period or upon resolution of the appeal, whichever is later.

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- 15.6.2.5. For purposes of this Policy, the conduct of an individual may impact the debarment of a Supplier or prospective Supplier based on factors such as the individual's position with the Supplier or prospective Supplier; such individuals include but not limited to officers, directors, partners, managers, key employees, or other principals of the Supplier or prospective Supplier.
- 15.6.2.6. Appeals - An appeal of the notice of debarment must be filed and received by the Procurement Manager within twenty (20) business days after the date of the notice of debarment. Appeals received after the prescribed time period shall not be considered. The appeal must be in writing and, at a minimum:
- 15.6.2.6.1. shall identify notice of debarment being appealed and be authorized and signed by the debarred Supplier ("Appellant");
 - 15.6.2.6.2. shall set forth in detail the factual and legal basis upon which the appellant maintains that the notice of debarment was in error; and
 - 15.6.2.6.3. shall attach copies of all documents and a summary description of other evidence supporting such basis.

Failure of Appellant to file an appeal in conformance with the requirements herein stated shall result in the appeal being rejected and returned to the appellant.

- 15.6.2.7. Debarment Hearing - If an appeal is timely filed with the Procurement Manager and meets all requirements of the appeals provisions in the above section 16.6.2.6, the Procurement Manager shall forward the appeal documents with a copy of the notice of debarment to the General Manager – Supply Chain ("General Manager") and the CAO – Utilities Division. The General Manager or designee, which may be a hearing officer appointed pursuant to Section 1.2.409 of City Code, shall send a written notice of the time and place of a hearing to all parties and shall establish a procedure for conduct of a hearing, which shall allow for an orderly presentation by all parties.

- 15.6.2.7.1. Hearings shall be as informal as possible under the circumstances and shall be recorded electronically or

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otherwise. The General Manager or designee shall not be bound by the formal rules of evidence and may make any procedural or evidentiary ruling that may help to ensure full disclosure of the facts, to maintain order, or to avoid delay. Irrelevant, immaterial, repetitious, or unduly prejudicial matter may be excluded.

- 15.6.2.7.2. The General Manager or designee shall make a ruling in writing based upon the record of appeal. The ruling, once issued, is final and will exhaust the administrative remedies available to the Supplier. The Supplier may apply to have said ruling reviewed by a court of competent jurisdiction, in accordance with the provisions of Rule 106(a)(4), Colorado Rules of Civil Procedure (“CRCP 106(a)(4) Action”). Provided the CRCP 106(a)(4) Action is timely and properly commenced, the debarment ruling shall be stayed during the pendency of the CRCP 106(a)(4) Action, but the Supplier shall remain suspended from consideration for award of Contracts until the CRCP 106(a)(4) Action has been resolved, unless otherwise ordered by the Court. In the event the appeal is denied, the debarment shall be effective on the resolution of the CRCP 106(a)(4) Action.

16. Purchase Order Compliance

Unless otherwise allowed in this Policy, all procurable goods and/or services will require that a purchase order, including releases, be issued prior to the purchase of the good or the rendering of the service. Purchase orders shall not be created after goods or services are received, based on the receipt of an invoice.

Blanket purchase orders, release or standard, will be allowed for orders which will require multiple payments over a period – no longer than one (1) year. Examples include standing orders, VMI, maintenance/service Contracts, and open orders. The goods or services are reoccurring purchases.

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17. Pre-payment

Pre-payment or Payment to a Supplier for a good and/or service before the good or service has been delivered or rendered to Utilities shall not be allowed, unless expressly provided for in the Contract (i.e., milestones) or approved by the Procurement Manager.

18. Record Retention

All Procurement electronic and hardcopy documents will be maintained as defined by the Records Retention Policy.

APPROVED