



Administrative Policy and Procedure

Title: Procurement Policy & Procedures

Effective Date: April 18, 2023 by Resolution 2061

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Policy

Purpose: This policy is established in order to reduce costs, increase efficiencies, ensure compliance with policies, laws, and regulations, and establish/improve internal controls.

Scope: This policy applies to all City contracting and purchases, and to services provided to the City including but not limited to materials, equipment, professional services, maintenance work and public works.

General Responsibilities: All employees and officials must follow established policies and procedures for procurement of equipment, materials, and services. Adherence to these policies and procedures will ensure that public purchases and contracts are open, fair, and at the best value to the public

1.0 Procurement of Goods and Services

All City purchases above \$2,000 require either a signed purchase order or a contract to be approved prior to actual purchase. Purchases made without a purchase order or contract may be determined to be unauthorized and become the financial responsibility of the employee initiating the purchase. No purchase order or contract may be awarded if the budget authority is exceeded. For purposes of this policy, budget authority includes the Council adopted budget authority and the Mayor's departmental/activity/line item allotment, or both.

1.1 Summary of Quote and Bid Requirements

City purchases are subject to authorization & quote/bid requirements as shown on the following chart. Purchases may not be broken into multiple projects or purchases to avoid compliance with state statutes and City policies.

General Purchases (no public work involved)

Estimated Cost	Type	Procedure	Section
\$7,500 or less	Materials, supplies, equipment	No competitive bids; Department selection	1.2.1
\$7,501 to \$14,999 ¹	Materials, supplies, equipment	Three verbal quotes; Department selection	1.2.2
\$15,000 or more	Materials, supplies, equipment	Competitive bids and contract	2.0
Any	Telecommunication Systems/Services, Water Conservation, Solid Waste Reduction and Energy Equipment	Competitive negotiation, Advertise Request for Proposal, Council votes to authorize, Mayor signs contract	1.2.3

Professional and Personal Services (no public work involved)

¹ RCW 35.23.352(7). See also RCW 35.34.352(9).

Estimated Cost	Type	Procedure	Section
\$10,000 or less	Any Professional/Personal (excluding architect, engineering, land surveying, landscape architect)	No competitive bids, Department selection, and approval	1.3.1
\$10,001 or more	Any Professional/Personal (excluding architect, engineering, land surveying, landscape architect)	No competitive bids, Mayor or Council approval as determined by contract amount	1.3.1
\$10,000 or less	Architect, Engineering, Land Surveying, Landscape Architect ²	Advertise, Request for Qualifications required, or alternatively use of MRSC consultant roster process, Department selection and approval	1.3.2
\$10,001 or more	Architect, Engineering, Land Surveying, Landscape Architect	Advertise, Request for Qualifications required, or alternatively use of MRSC consultant roster process Mayor or Council approval as determined by contract amount	1.3.2

Public Works Projects³

Estimated Cost⁴	# Craft/Trade or Type	Procedure	Section
less than \$50,000	3+	By contract using limited public works process, ⁵ No advertisement	1.4.1
\$75,500 or less	1	By contract or day labor without competitive bids	1.4.2
\$75,500 or less ⁶	Street signalization or street lighting	By contract or day labor without competitive bids	1.4.2
\$116,155 or less	2+	By contract or day labor without competitive bids	1.4.3

² Chapter 39.80 RCW.

³ RCW 35.23.352(1).

⁴ This is the estimated cost of the improvement or work, including the cost of materials, supplies and equipment.

⁵ RCW 39.04.155(3).

⁶ RCW 35.23.352(1)

\$350,000 or less	3+	By contract using small works roster process ⁷ , No advertisement	1.4.4
More than \$350,000	3+	By contract using competitive bids	2.0

1.2 General Purchases (no public works involved)

The following are requirements for the purchase of supplies, materials, or equipment not connected to a public works project. The breaking of any project into units or accomplishing any project by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let.

1.2.1 Supplies, Materials, or Equipment not to Exceed \$7,500

The use of informal or formal sealed bidding procedures for the purchase of any materials, supplies, or equipment not connected to a public works project is not required where the cost will not exceed seven thousand five hundred dollars (\$7,500). The City will attempt to obtain the lowest practical price for such goods and services.

1.2.2 Supplies, Materials, or Equipment Greater Than \$7,500 and not to Exceed \$15,000

The Purchasing Contract Process⁸ may be used for purchasing supplies, materials or equipment, without following the formal competitive bidding process, when the cost thereof is \$15,000 or less. The Purchasing Roster maintained by the Municipal Research and Services Center (www.mrscrosters.org) allows the City to evaluate the supplies, materials, and equipment and prices on file when the need for same arises. Use of this process allows the City to avoid the advertisement requirements of the formal competitive bid process. All other bidding requirements are the same.

For each purchase, the City will secure telephone or written quotations from (whenever possible), at least three appropriate vendors on the Roster to ensure that a competitive price is obtained and to ensure that the contract is awarded to the lowest responsible bidder. The City may invite proposals from more than three or all appropriate vendors on the Roster.

In determining whether the bidder is a responsible bidder, the City must consider the following elements:

- a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;
- b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- c) Whether the bidder can perform the contract within the time specified;
- d) The quality of performance of previous contracts or services;
- e) The previous and existing compliance by the bidder with laws relating to the contract or services; and

⁷ RCW 39.04.155(1), (2).

⁸ RCW 39.04.190.

- f) Such other information as may be secured having a bearing on the decision to award the contract.

The City may, at its option when awarding a purchase contract, take into consideration tax revenue it would receive from purchasing the supplies, materials, or equipment from a supplier located within its boundaries. The City must award the purchase contract to the lowest responsible bidder after such tax revenue has been considered. However, the City may allow for preferential purchase of products made from recycled materials or products that may be recycled or reused.

The City shall post a list of the contracts awarded under this process at least once every two months. The list shall contain the name of the vendor awarded the contract, the amount of the contract, a brief description of the items purchased under the contract, and the date it was awarded. The list shall also state the location where the bid quotations for these contracts are available for public inspection.

1.2.3 Electronic Data Processing and Telecommunication Systems/Services⁹

The City may acquire electronic data processing or telecommunications equipment, software, or services through competitive negotiation rather than through competitive bidding.

“Competitive negotiations” shall include, as a minimum, the following requirements:

- a) A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by the City, in its discretion, to permit reasonable competition consistent with the requirements of the procurement. The request for proposal shall identify significant evaluation factors, including price and their relative importance;
- b) Notice of the request for the proposal must be published in a newspaper of general circulation in the municipality at least thirteen days before the last date on which proposals will be received;
- c) The City shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources and selection for awarding the contract;
- d) The award is made to the qualified bidder whose proposal is most advantageous to the municipality with price and other factors considered. The City may reject any and all proposals for good cause and request new proposals.

1.2.4 Water Conservation, Solid Waste Reduction, and Energy Equipment

Contracts for water conservation, solid waste reduction, and energy equipment¹⁰ may be

⁹ RCW 39.04.270.

¹⁰ “Energy equipment and services” means energy management systems and any equipment, materials, or supplies that are expected, upon installation, to reduce the energy use or energy cost of an existing building or facility, and the services associated with the equipment, materials, or supplies, including but not limited to design, engineering, financing, installation, project management, guarantees, operations, and maintenance. Reduction in energy use or energy cost may also include reductions in the use or cost of water, wastewater, or solid waste. RCW 39.35A.020(1).

procured through performance-based contracts.¹¹ The City shall: (1) establish criteria for equipment and services required; (2) publish in advance the scope and nature of the equipment and services; (3) encourage firms to submit proposals to meet these requirements; and (4) negotiate a fair and reasonable performance-based contract with the firm that submits the best proposal. If the City is unable to negotiate a satisfactory contract with the firm that submits the best proposal, negotiations with that firm shall be formally terminated and the City may select another firm and continue negotiation until a performance-based contract is reached or the selection process is terminated.

1.2.5 Sole Source Purchases (See, Section 3.1 for procedure for waiving competitive bidding requirements for sole source purchases.)¹²

A “sole source” is characterized as meeting one or more of the following standards:

- a) The City department has conducted a screening process whereby it can justify purchase of a specific product;
- b) The City requires legitimate specifications to which only one vendor can successfully respond;
- c) The product is available only through one manufacturer (or distributor) and the manufacturer so certifies.

1.2.6 Conflicts of Interest

The City will not accept donations of materials or services in return for a commitment, agreement, or implied understanding to in any way influence initiation, continuation, alteration, or cessation of a purchasing agreement. No employees will participate in procurement when they are aware of a conflict of interest, or accept gifts or gratuities from existing or potential vendors in return for a commitment to continue or initiate a purchasing relationship.

1.3 Professional and Personal Services

A competitive process is not required for professional or personal services, other than professional engineering or architectural services as specified in chapter 39.80 RCW. Purchase of professional services requires completion of a City professional services contract that describes services to be performed and a negotiated price. Prior experience with the City, time-frame for completing projects, and the value of a negotiated agreement will be considered when choosing a consultant/firm to perform professional services, as defined in this Section.

¹¹ “Performance-based contract” means one or more contracts for water conservation services, solid waste reduction services, or energy equipment and services between a municipality and any other persons or entities, if the payment obligation for each year under the contract, including the year of installation, is either: (a) set as a percentage of the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract; or (b) guaranteed by the other persons or entities to be less than the annual energy cost savings, water cost savings, or solid waste cost savings attributable under the contract. Such guarantee shall be, at the option of the municipality, a bond or insurance policy, or some other guarantee determined sufficient by the municipality to provide a level of assurance similar to the level provided by a bond or insurance policy. RCW 39.35A.020(6).

¹² RCW 39.04.280(1)(a).

1.3.1 Non-Architectural and Engineering Services

Professional and technical services include disciplines such as attorneys, computer programmers, financial analysts, bond counsels, artists, planners, and real estate appraisers.

Purchase of professional services requires completion of a City professional services contract that describes services to be performed and a negotiated price. Prior experience with the City, time-frame for completing projects, and the value of a negotiated agreement will be considered when choosing a consultant/firm to perform professional services, as defined in this Section. Any contract for professional or personal services other than architect, engineering, land surveying and landscape architect services may be awarded, within purchasing authority, by a Department Head (excluding legal services), with the written approval of the Mayor or authorization by vote of the City Council. All contracts awarded under this Section by a Department Head shall be reported to the City Council on a monthly basis. Report shall include the name of the firm awarded a contract, a description of the services to be provided, and the contract award date and amount.

1.3.2 Architectural, Engineering and Design Services

Architect, engineering, land surveying, and landscape architect services, regardless of estimated cost, shall be procured by publishing the requirement for professional services either before each occasion when services are required or through a general announcement of projected requirements; or alternatively procured through the consultant roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org). For either procurement process, the City shall follow the procedure established in chapter 39.80 RCW, and provide a general scope and nature of the project or work and the address of a representative of the City who can provide further details.

The City shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select the most highly qualified firm based upon criteria established by the City. Minority and women-owned firms and veteran-owned firms shall be afforded the maximum practicable opportunity to compete for and obtain service contracts.

The City shall negotiate a contract with the most qualified firm at a price which the City determines is fair and reasonable. In making its determination, the City shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the services. If the City is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be formally terminated and the City shall select another firm in accordance with this procedure or until the process is terminated.

This process does not apply when the City makes a finding that an emergency requires the immediate execution of the work. However, the City must comply with applicable law

limiting emergency expenditures.¹³

1.4 Public Works

The following are requirements for the procurement of public works¹⁴ projects. Any public works project with an estimated cost of greater than \$300,000 must follow the competitive bid process described in Section 2.0.

1.4.1 Limited Public Works Process

The City may award a contract for work, construction, alteration, repair, or improvement projects estimated to cost **less than \$50,000**¹⁵ using the Limited Public Works Process.¹⁶ Limited public works projects awarded under this Section are exempt from the other requirements of the Small Works Roster Process and are exempt from the requirement that contracts be awarded after advertisement.

For limited public works projects, the City shall solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org) and shall award the contract to the lowest responsible bidder.

After an award is made, the quotations shall be open to public inspection and available by electronic request. The City shall attempt to distribute opportunities for limited public works projects equitably among contractors willing to perform in the geographical area of the work. The City shall maintain a list of the contractors contacted and the contracts awarded under the Limited Public Works Process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. The City may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material persons, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project, however, the City shall have the right of recovery against the contractor for any payments made on the contractor's behalf.

The City shall make available a list of the contractors contacted and the contracts awarded under this Limited Public Works Process at least once every year. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed, and the date it was awarded. It shall also list the location where the bid quotations for these contracts are available for public inspection.¹⁷

The breaking of any project into units or accomplishing any project by phases is

¹³ RCW 39.80.060.

¹⁴ "Public work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the City, or which is by law a lien or charge on any property therein.

¹⁵ For estimating, see RCW 39.04.020.

¹⁶ RCW 39.04.155(3).

¹⁷ RCW 39.04.200.

prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the Small Works Roster or the Limited Public Works Process.

1.4.2 Public Works Project Requiring One Craft or Trade or Street Signalization or Street Lighting with an Estimated Cost of \$75,500 or Less

Public works projects requiring a single craft or trade involvement with the public works where the estimated cost of the work or improvement, including cost of materials, supplies, and equipment will not exceed \$75,500, or a public works project involving street signalization or street lighting, may be procured by contract or day labor without calling for bids.¹⁸

1.4.3 Public Works Project Requiring Two Craft or Trade with an Estimated Cost of 116,155 or Less

Public works projects requiring more than one craft or trade involvement with the public works where the estimated cost of the work or improvement, including cost of materials, supplies, and equipment will not exceed \$116,155 may be procured by contract or day labor without calling for bids.¹⁹

1.4.4 Small Works Roster Process

The Small Works Roster Process may be used for public works projects with an estimated cost of \$350,000.00 or less.²⁰ The small works roster maintained by the [Municipal Research and Services Center](http://www.mrscrosters.org) (www.mrscrosters.org) allows the City to evaluate the professional qualifications on file when a proposed project is scheduled. Use of the small works roster allows the City to preclude the advertisement requirements of the formal competitive bid process. Other public works contracting procedures apply, such as the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW.

Invitations for quotation shall include an estimate of the scope and nature of the work to be performed as well as the materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This does not eliminate the other requirements for architectural or engineering approvals as to quality and compliance with building codes. Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. Whenever possible, the City will invite at least one proposal from a qualified minority or woman contractor.

However, if the estimated cost of the work is from \$250,000 to \$350,000,²¹ and if the

¹⁸ RCW 35.23.352(1).

¹⁹ RCW 35.23.352(1).

²⁰ RCW 39.04.155. For estimating the cost of the work, see RCW 39.04.020.

²¹ For estimating the cost of the work, see, RCW 39.04.020; RCW 39.04.155(1)(c).

City chooses to solicit bids from less than all the appropriate contractors on the appropriate small works roster, the City must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The City has the sole option of determining whether this notice to the remaining contractors is made by: (i) publishing notice in a legal newspaper in general circulation in the area where the work is to be done; (ii) mailing a notice to these contractors; or (iii) sending a notice to these contractors by fax or other electronic means. For purposes of this Section, "equitably distribute" means that the City may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

Once a contractor has been invited to submit a proposal, that contractor will not be offered another opportunity until all other appropriate contractors on the roster have been given the opportunity to submit a proposal on a project.

Contractors selected from the small works roster are not relieved from observing applicable legal requirements such as a providing a performance bond, prevailing wages, material bonding, etc.

The contract must be awarded to the contractor submitting the lowest responsible bid. A contract awarded from the small works roster need not be advertised.

Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and made available by telephone inquiry.

The list of contracts awarded under this process must be made available at least once every year.²² The list shall contain the name of the contractor awarded the contract, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded. The list shall also state the location where the bid quotations for the contracts are available for public inspection.

The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the Small Works Roster Process.²³

1.5 Purchasing Authority

To facilitate cost effective and efficient procurement of goods and services, professional and personal services, and public works projects, City representatives are granted purchasing authority within the following cost limitations.

1.5.1 Employees

No purchase order is required for employee purchases up to \$2,000 that are made in the normal course of business with approval of the employee's Department Head. A signed purchase order by the Department Head is required for all employee purchases over

²² RCW 39.04.200.

²³ RCW 39.04.155(4).

\$2,000, subject to Department Head purchasing authority. The purchaser shall submit a sales receipt or invoice to the Department Head for proper accounting for all employee purchases.

1.5.2 Department Heads

Department Heads may approve purchases of goods and services, professional and personal services (excluding legal services), and public works projects not exceeding \$15,000 by agreement provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by the City Attorney beforehand. Procurement of goods and services, professional and personal services, or public works projects by Department Heads greater than \$15,000 up to **\$25,000** shall be approved by the Mayor provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by City Attorney beforehand.

1.5.2.1 Reporting

Contracts entered into by Department Heads under Section 1.5.2 shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm awarded a contract, a description of the goods, services or work provided, and the contract award date and amount.

1.5.2.2 Amendments

Amendments to any contracts entered into under Section 1.5.2 are subject to the limitations specified therein.

1.5.3 Mayor

The Mayor may approve all purchases of goods and services, professional and personal services, and public works projects not exceeding **\$25,000** provided that such procurement is authorized by the City budget and the agreement has been reviewed and approved as to form by the City Attorney beforehand. Procurement of goods and services, professional and personal services, or public works projects by the Mayor greater than \$50,000 shall be reviewed and approved as to form by the City Attorney prior to submittal to City Council for approval.

1.5.3.1 Reporting

Contracts entered into by the Mayor under Section 1.5.3 shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm awarded a contract, a description of the goods, services or work provided, and the contract award date and amount.

1.5.3.2 Amendments

Amendments to any contracts entered into under Section 1.5.3 are subject to the limitations specified within Section 1.5.3.

1.5.4 City Council

The City Council shall have the authority to approve all purchases of goods and services, professional and personal services, and public works projects greater than **\$25,000**.

2.0 Competitive Bid Procedures

Any purchase of materials, supplies, equipment, professional services, or public works projects, regardless of estimated cost, **may** be contracted through a competitive bid process. Materials, supplies, and equipment with an estimated cost of \$15,000 or more and public works projects with an estimated cost of more than \$350,000 **must** be contracted through a competitive bid process.

2.1 Authorization Request

In special circumstances, the Mayor may waive portions of the bid procedures. The “special circumstances” are limited to items where publication of bids may impinge on the safety of staff or City assets.

2.2 Publication of Notice

After authorization, the requesting Department Head will publish the Call for Bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the City web page, at least 13 days prior to the bid submittal deadline.

2.3 Notice Contents

Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice for public works must include the following information:

- a) Project title;
- b) Nature and scope of work;
- c) Where contract documents (plans and specifications) can be reviewed or obtained;
- d) Cost to obtain a set of contract documents;
- e) Place, date, and time that bids are due;
- f) Statement that a bid bond must accompany the bid;
- g) Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process;
- h) Statement that the contract involves “public work” and that workers shall receive the prevailing rate of wage pursuant to the Prevailing Wages on Public Works Act (chapter 39.12 RCW);
- i) List of applicable prevailing wage rates; and
- j) Statement that the City is an equal opportunity employer and invites responsible bids from all qualified responsible bidders.

In addition, a bid notice shall provide evaluation criteria; warranty; minimum qualifications; date, time and location of pre-bid conference (if applicable); name, address and telephone number of the project contact; and number of required copies will help bidders prepare responsive submittals. Electronic submittals, including electronic signatures, may be authorized in the Call for Bids.²⁴

²⁴ RCW 39.04.390.

When practical, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms, and shall encourage potential vendors to attend.

2.4 Bid Opening

Bids are submitted to the City Clerk, where they are time and date stamped and processed. Bid opening will be announced to the Mayor and Department Heads.

2.5 Report on Bids

The responsible Department Head will prepare a report and recommendation to the Mayor and City Council on all bids received.

2.6 Award to Lowest Responsible Bid

The City may select the lowest responsible bid²⁵ whose proposal is most advantageous to the City, with price and other factors considered. Quality and expertise, however, must also be a consideration. Before awarding a public works contract, the bidder must meet the following criteria:

- a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW;
- b) Have a current state unified business identifier number;
- c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise registration number as required in Title 82 RCW;
- d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3); and
- e) If bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under Chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation.

2.7 Supplemental Bidder Responsibility Criteria

In addition to the bidder responsibility criteria in Section 2.6, the City may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.

Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.

In a timely manner before the bid submittal deadline, a potential bidder may request the City to modify the supplemental criteria. The City must evaluate the information

²⁵ RCW 39.04.350.

submitted by the potential bidder and respond before the bid submittal deadline. If the evaluation results in a change of the criteria, the City must issue an addendum to the bidding documents identifying the new criteria.

The City may consult the capital projects advisory review board guidelines in developing supplemental bidder responsibility criteria available on the Capital Project Advisory Review Board website (www.des.wa.gov/about/Committees/CPARB/Pages/default.aspx).

If the bidder fails to provide the information requested concerning responsibility within the time and manner specified in the bid documents, then the City may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.

If the City determines the lowest bidder not responsible, the City must provide the reasons for the determination in writing. The bidder may appeal the determination within the time period specified in the bidding documents by presenting additional information to the City. Then, the City must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the City may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.

2.8 Rejection of Bids

The City reserves the right to reject any bid not in substantial compliance with the bid documents, or all prescribed public bidding procedures and requirements, and may reject all bids.

3.0 Other Exemptions to Competitive Bidding Requirements

In addition to small public work projects under \$300,000, purchases of goods and services under \$15,000 and professional and personal services, competitive bidding requirements may be waived for the following:

3.1 Sole Source Vendor

If, after conducting a good faith review of available resources, the requesting department director determines that there is only one source of the required materials, supplies, or equipment, a purchase contract may be awarded without complying with established bid requirements. The requesting Department Head will submit a written request for sole source procurement for approval, and conduct price, terms, and delivery negotiations, as appropriate. The vendor must certify in writing that the City is getting the lowest offered price. Immediately after the award of the contract, the contract and the factual basis for the determination of "sole source" must be recorded and open to public inspection.²⁶

3.2 Purchases Involving Special Facilities or Market Conditions

The Mayor may waive established bidding requirements if an opportunity arises to purchase favorably-priced equipment at an auction, or supplies or used goods that will be sold before the City can conduct the bid process. Immediately after the award of the

²⁶ RCW 39.04.280(2).

contract, the contract and the factual basis for the determination of “special facilities or market conditions” must be recorded and open to public inspection.²⁷

3.3 Surplus Property

The City may acquire surplus property from another public agency without the use of bids.²⁸

3.4 Emergency Purchases, Contracts, Contract Amendments and Change Orders

The term “emergency” is defined herein as “unforeseen circumstances beyond the control of the municipality that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.” If an emergency situation has been declared, the Mayor may waive competitive bidding requirements and the City may award all necessary contracts to purchase goods, materials, or services to address the emergency situation. Purchase order(s), contracts, contract amendments, and change orders must be properly documented as pertaining to an emergency as soon as possible following the event. If a contract is awarded without competitive bidding due to a declared emergency, the City Council must adopt a resolution certifying the emergency situation existed no later than two weeks following the award of the contract.²⁹

3.5 Interlocal Agreements

The City of North Bend may use shared purchasing agreements. All such shared purchasing agreements shall have prior approval of the City Council.

When practical, the City should include language in its solicitations that allows other public agencies to purchase from the City of North Bend’s bids or quotations, provided that the other agencies allow similar rights and reciprocal privileges to the City of North Bend.

3.5.1 Interlocal Cooperative Purchasing Agreements

Pursuant to RCW 39.34, bidding is not required when purchases of materials, supplies, or equipment are made under State standard contracts or similar contracts executed by and through other local governments which have complied with state bidding requirements. The other government’s bid process must have been conducted within the previous 12-month period to be valid for use by the City of North Bend. In addition, the City of North Bend must conduct a screening process whereby it can justify the purchase through an Interlocal Agreement. The screening process and results must be clearly documented in writing. All other procurement approval requirements must be met.

3.5.2 Joint Purchases

The City may make a bid call with another government entity as a joint purchase complying with the bid requirements of the participating jurisdictions. Purchases made pursuant to any such agreement shall be separately invoiced to the respective purchasers

²⁷ RCW 39.04.280(2).

²⁸ RCW 39.33.010.

²⁹ RCW 39.04.280(2)(b).

in accordance with the purchases made by each; and each such purchaser shall be responsible for payment for its own purchases only. Purchases made for the City under a purchasing contract executed by a state, or agency or subdivision thereof, or by another governmental unit or public benefit nonprofit corporation shall be exempt from competitive bidding and related requirements.

3.5.3 Purchasing Cooperatives That Meet State and City Bidding Requirements

Pursuant to chapter 39.34 RCW, bidding is not required when purchases of materials, supplies, or equipment are made under state standard contracts or similar contracts executed by and through purchasing cooperatives which have complied with state bidding requirements. The purchasing cooperative's bid process must have been conducted within the previous 12 month period to be valid for use by the City of North Bend. In addition, the City of North Bend must conduct a screening process whereby it can justify the purchase through a purchasing cooperative. The screening process and results must be clearly documented in writing. All other procurement approval requirements must be met.

4.0 Contract Amendments for General Purchases, Professional and Personal Services

The City of North Bend establishes the Contract Amendment Authorization Policy as follows:

4.1 Contract Amendments Within City Council Authorized Budget

Upon recommendation of the project/contract manager, and demonstration that a Contract Amendment is necessary and reasonable, the Department Head or Mayor is authorized to approve Contract Amendments that do not exceed the legally authorized budget limit established for the applicable contract and the amendment shall be reviewed and approved as to form by the City Attorney beforehand.

4.1.1 Department Head

A Department Head may execute a contract amendment provided that cumulative amendments do not exceed \$15,000 or 10% of the total contract value up to \$100,000, whichever is greater. Contract amendments entered into by Department Heads shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services, or work provided, and the contract amendment date and amount.

4.1.2 Mayor

The Mayor may execute contract amendment provided that cumulative amendments may not exceed **\$25,000** or 10% of total contract value up to \$500,000, whichever is greater. Contract amendments entered into by the Mayor shall be tracked and reported to the City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract amendment date and amount.

4.2 Contract Amendment in Excess of City Council Authorized Budget Appropriations

Upon recommendation of the project/contract manager, and demonstration that a Contract Amendment is necessary, the Mayor shall submit to the City Council a Contract Amendment Request, after review and approval of the Contract Amendment as to form by the City Attorney, that includes the amount of requested funds and a written justification describing why the additional funds are necessary and the benefits to be derived therefrom.

If the City Council approves the Contract Amendment Request, the Mayor shall take the necessary actions to enact the Contract Amendment and complete the work in an expeditious manner in accordance with the City Council's direction.

If the City Council denies the Contract Amendment Request, the project/contract manager shall report back to the Mayor and City Council with options as to how to accomplish the project/contract within the funds allocated.

4.3 Change Orders for Public Works Contracts

The City of North Bend establishes the Change Order Authorization Policy as follows:

4.3.1 Change Orders Within City Council Authorized Budget

Authorized project budget limits are established by the City Council through the adoption of annual operating and capital budget appropriations. Upon recommendation of the project/contract manager, and demonstration that a Change Order is necessary and reasonable, the Department Head or Mayor is authorized to approve any and all Change Orders that do not exceed authorized budget limits and the monetary limits set forth in Sections 4.4.2. and 4.4.3 below; subject to review and approval as to form by the City Attorney beforehand.

4.3.2 Department Head

A Department Head may execute change orders provided that cumulative change orders do not exceed \$25,000 or 10% of total contract value up to \$250,000 whichever is greater; subject to review and approval as to form by the City Attorney beforehand. Changes orders entered into by Department Heads shall be tracked and reported to City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract change order date and amount.

4.3.3 Mayor

The Mayor may execute change orders provided that cumulative change orders do not exceed **\$25,000** or 10% of total contract value up to \$500,000 whichever is greater; subject to review and approval as to form by the City Attorney beforehand. Changes orders entered into by the Mayor shall be tracked and reported to City Council on a monthly basis. The report to the City Council shall include the name of the firm, a description of the goods, services or work provided, and the contract change order date and amount.

4.4 Change Orders in Excess of City Council Authorized Budget Appropriations

Upon recommendation of the project/contract manager, and demonstration that a Change Order in excess of the City Council authorized budget appropriation is necessary, the Mayor, after review and approval as to form by City Attorney, shall submit to the City Council a Change Order Request that includes the amount of requested funds and a written justification describing why the additional funds are necessary and the benefits to be derived therefrom.

If the City Council approves the Change Order Request, the Mayor shall take the necessary actions to enact the Change Order and complete the work in an expeditious manner in accordance with the City Council's direction.

If the City Council denies the Change Order Request, the project/contract manager shall report back to the Mayor and City Council with options as to how to accomplish the project/contract within the funds allocated.

5.0 Travel Expenses

All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of North Bend Travel Policy, which establishes the policy and procedures related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in the conduct of the City's business. See the City of North Bend Travel Policy and Procedures for details.

6.0 Payment Processing

There are two accounts payable check cycles scheduled each month, generally on the first and third Tuesdays of each month, unless the date falls on a weekend or holiday.

6.1 Approvals

All invoices shall be receipted and date stamped when received by the City. All invoices shall be signed for approval by the applicable Department Head. Reimbursements payable to City employees shall be signed for approval as follows:

- Council -- Approved by the **Mayor** or designee
- Mayor -- Approved by the **City Council**
- City Administrator – Approved by the Mayor
- Department Head -- Approved by the Mayor
- Other Employees -- Approved by the applicable Department Head. Employees may not approve their own reimbursement.

6.2 Accounts Payable

Invoices that are received by accounts payable via the US Postal Service will be date stamped and routed to Department Heads the day that they are received. Other invoices may be received directly by the Department Head or other staff, such as when items are picked up at will-call or services are performed on-site. For all invoices, Department Heads or designees will verify that the invoiced items have been received and that the

invoiced amount is correct. The accounts payable coding stamp will be stamped on the invoice in a conspicuous place, the account coding and approval signature entered, and the approved invoice will be routed to accounts payable for payment.

6.3 Hand-Issued Checks

The City of North Bend does not generally prepare hand-issued checks. If exceptional and extenuating circumstances exist, a check may be hand-issued with Mayor approval. Hand-issued checks requested by the Mayor shall be pre-approved by the Mayor Pro-Tempore.

6.4 Store-Issued Charge Cards

Store-issued charge cards may only be issued with the specific pre-approval of the City Council. They are to be used solely for City-authorized business purposes. Please see Credit Card Policy for additional details.

6.5 Credit Cards

Credit cards may be issued with the specific pre-approval of the City Council. They are to be used solely for City-authorized business purposes. Please see Credit Card Policy for additional details.

6.6 Petty Cash

Petty cash funds cover minor disbursements when it is infeasible or impractical to use normal purchasing means. Employees may be reimbursed from petty cash funds for authorized purchases that do not exceed the established petty-cash limit of \$25.00.

Example expenses include fees for parking, tolls, postage stamps, and other minor incidental business expenses. Employees shall include receipts of expenditures when seeking reimbursement. The Finance Director shall maintain petty cash procedures in compliance with all applicable state law and generally accepted accounting procedures.

7.0 Budget Adjustments

Each Department Head must ensure that purchases are initiated only when departmental appropriations are sufficient to cover the anticipated cost. Expenditures that exceed departmental appropriations require the Mayor's approval of the Budget Adjustment Request Form.