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ORDINANCE NO. 302

AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON, ADOPTING REVISED PURCHASING PROCEDURES FOR THE PROCUREMENT OF GOODS AND SERVICES AND AMENDING CHAPTER 2.60 OF THE SHORELINE MUNICIPAL CODE

WHEREAS, the City Council adopted an ordinance regulating the procurement of goods and services in conformance with state law and recommended business practices; and

WHEREAS, there is a desire to amend the adopted ordinance to facilitate more effective procurement procedures; and

WHEREAS, the revised procedures require revisions to the Shoreline Municipal Code.

NOW, THEREFORE THE CITY COUNCIL OF THE CITY OF SHORELINE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Amendment. SMC 2.60.030 *Definitions*, is hereby amended to include a new section "L" to read as follows:

2.60.030 DEFINITIONS

L. On Call Contract: An on-call contract is a contract that is awarded with general provisions for the services to be rendered. As services are to be rendered, specific task orders are initiated that are to be completed by the contracting firm.

Section 2. Amendment. SMC 2.60.040, *General Provisions*, Amendments and Change Orders, section D. is hereby amended to include a new section "D.1.c", and new section "D.2", to read as follows:

2.60.040 GENERAL PROVISIONS

D. Amendments and Change Orders.

1. Amendments or change orders to contracts which result in a final contract amount in excess of purchase limits identified in this chapter may be administratively approved if the changes are:
 - a. Within the scope of the project or purchase;
 - b. Executed in writing;
 - c. The amount in excess of the City Manager's purchase limits will not exceed \$50,000. The amount in excess of purchase limits is no greater than 20% of the

~~contract price or \$50,000, whichever is less. The City Manager may authorize Department Directors to approve increases in excess of Director's purchase limits up to 20% over the contract price or \$25,000, whichever is less.~~

2. Contact amendments that are strictly a change in contract expiration date may be administratively approved.
3. ~~2.~~The value of all change orders will be aggregated, and when any single amendment or combination of change orders on the same project or purchase exceeds the limit under subsection 1 (c) the change must be approved by the City Council, except:
 - a. For service contracts to accomplish an ongoing City program rather than a discrete project, the aggregation of administrative change orders shall be recalculated after each contract year; and
 - b. Where the size of the contract makes it probable that administrative change order authority will be quickly exhausted, the City Council may, upon recommendation of the City Manager, extend the aggregate limits of subsection 1(c) upon award of the particular contract.

Section 3. Amendment. SMC 2.60.040, *General Provisions*, is hereby amended to include a new subsection "F", to read as follows:

- F. Signature Authority.** The City Manager may delegate the signature authority provided in this chapter to other City employees as deemed appropriate.

Section 4. Amendment. SMC 2.60.050, *Purchase of Materials, Supplies or Equipment*, subsection A, is hereby amended to read as follows:

- A. Purchasing Limitations: Purchase limitations apply to the cost of individual items or the sum of the same items purchased at the same time to fulfill a specific business need, which are not part of a public works project as defined by RCW 39.040.010 and these policies. Cost is inclusive of sales tax, delivery charges and any related miscellaneous charges. The City Manager may authorize the acquisition of materials, supplies or equipment with a cost of \$100,000 or less.
1. Purchases equal to or less than \$5,000
Purchases of materials, supplies, or equipment, where the cost is \$5,000 or less, do not require any informal or formal competitive quotes or purchase orders. Departments are allowed to make these purchases administratively in accordance with procedures adopted and approved by the Finance Director and the City Manager. ~~The City Manager may delegate authority to Department Directors to execute these purchases.~~
 2. Purchases greater than \$5,000 but less than \$25,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$5,000, but less than \$25,000 require that the City make every effort to obtain a

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minimum of three informal competitive quotes. ~~The City Manager may delegate authority to Department Directors to execute these purchases.~~

3. Purchases greater than \$25,000 but less than \$50,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$25,000, but less than \$50,000 require that the City obtain a minimum of three written informal competitive quotes (excludes telephone quotes) in accordance with procedures adopted and approved by the Finance Director and City Manager. ~~The City Manager shall authorize these purchases.~~
4. Purchases greater than \$50,000 but less than or equal to \$100,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$50,000, but less than or equal to \$100,000 require that the City follow formal competitive bidding processes. ~~The City Manager shall authorize these purchases.~~
5. Purchases greater than \$100,000
Purchases of materials, supplies, or equipment, where the cost is greater than \$100,000 require that the City follow formal competitive bidding processes. The City Council shall authorize these purchases based on the results of the formal competitive bidding process and City staff recommendations.

Section 5. Amendment. SMC 2.60.050, *Purchase of Materials, Supplies or Equipment*, section C, is hereby amended to read as follows:

C. Informal Competitive Quotes

1. A City representative shall make an effort to contact at least three vendors. The number of vendors contacted may be reduced if the item being sought is only available from a smaller number of vendors. When fewer than three quotes are requested or if there are fewer than three replies, an explanation shall be placed in the procurement file.
2. Whenever possible, quotes will be solicited on a lump sum or fixed unit price basis.
3. At the time quotes are solicited, the City representative shall not inform a vendor of any other vendor's quote.
4. A written record shall be made by the City representative of each vendor's quote on the materials, supplies, or equipment, and of any conditions imposed on the quote by such vendor.
5. All of the quotes shall be collected and presented at the same time to the City Manager or designee ~~Department Director~~ as appropriate for consideration, determination of the lowest responsible vendor and award of purchase.

6. Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the City may obtain new quotes or enter into direct negotiations to achieve the best possible price. In this case, the Purchasing Officer or his/her designee shall document, in writing, the basis upon which the determination was made for the award.

Section 6. Amendment. SMC 2.60.060 *Public Works Projects*, is hereby amended to add a new section "B" and amend the subsequent section "C" to read as follows:

2.60.060 PUBLIC WORKS PROJECTS

- A. **Purchasing Procedures.** Public works contracts shall follow bid requirements applicable to code cities with a population in excess of 20,000, as set forth in RCW 35.22.620. Cost for a public works project includes all amounts paid for materials, supplies, equipment, and labor on the construction of that project which is inclusive of sales tax, unless exempted by law.
- B. **Purchasing Limitations:** The City Manager may authorize the purchase and execution of public works project contracts in the amount of \$200,000 or less.
- B.C. **Competitive Bids.** "Craft" or "trade" means a recognized construction trade or occupation for which minimum wage categories are established by the Department of Labor and Industries of the State of Washington in the locality of the City's projects or purchases.
1. Projects with a reasonably anticipated price equal to or less than \$20,000 for a single craft or \$35,000 for multiple crafts, do not require the use of competitive quotes or bids. Departments are allowed to make these purchases administratively in accordance with procedures adopted and approved by the Finance Director and the City Manager. ~~The City Manager may delegate authority to Department Directors to authorize these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.
 2. Projects with a reasonably anticipated price of \$20,000 for a single craft or \$35,000 for multiple crafts up to \$100,000 shall either use the small works roster or a Formal Competitive Bid procurement process detailed in 2.60.050 Section D. ~~The City Manager may delegate authority to Department Directors to execute these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.
 3. Projects with a cost in excess of \$100,000 up to \$200,000 shall either use the small works roster or a Formal Competitive Bid procurement process. ~~The City Manager may authorize these purchases and execute the related contract.~~ All purchases require a purchase order and executed contract.

4. Projects with a cost in excess of \$200,000 require a formal competitive bid process. The City Council shall authorize these purchases and provide authority for the City Manager to execute the related contract. All purchases require a purchase order and executed contract.

[Remaining sub-sections are renumbered C D, C E, and D E]

Section 7. Amendment. SMC 2.60.070 *Services*, section A, is hereby amended to read as follows:

- A. Purchasing Limitations. Purchase limitations apply to the cost related to the acquisition of services to fill a specific business need. Cost is inclusive of any required sales tax and related expenses.
 - ~~1. Contracts to purchase services equal to \$25,000 or less may be executed by Department Directors at the discretion of the City Manager.~~
 1. Contracts or task orders under an on-call agreement to purchase services ~~greater than \$25,000, but~~ equal to or less than \$50,000 may be executed by the City Manager ~~or his/her designee.~~
 2. Contracts to purchase services greater than \$50,000 shall be authorized by the City Council.

Section 8. Amendment. SMC 2.60.070 *Services*, a new section “C” is hereby added to read as follows:

- C. On-Call Service Contracts. On-call service contracts will be procured with the processes identified in Section D. Individual task orders of on-call service contracts shall not exceed \$50,000.

[Remaining sub-section C is renumbered as D]

Section 9. Amendment. SMC 2.60.070 *Services*, section D.1.c is hereby added to read as follows:

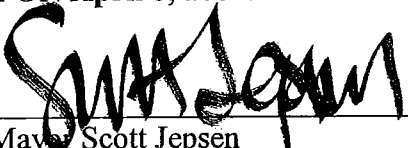
- c. Contracts greater than \$50,000. Contracts that have an estimated cost in excess of \$50,000 must use a formal Request for Qualification (RFQ) PROCESS. The development of a RFQ along with the property public notification shall be made in accordance with procedures adopted by the Finance Department in the best interest of the City. Provided, however that the City Manager may in the following circumstances waive the RFQ process for contracts greater than \$50,000, and allow the acquisition of services from the City’s Architectural, Landscape Architectural and Engineering Service Roster:
 - i. It is deemed in the best interest of the City to expedite the acquisition of services; or

- ii. It can be demonstrated that there are sufficient consultants on the roster that possess the required qualifications to perform the "Scope of Work"; or
- iii. A consultant on the City's roster has previously provided satisfactory service to the City, has previously provided services related to the specific project, and has the qualifications to perform the Scope of Work.

Section 10. Severability. Should any section, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this ordinance or its application to other persons or circumstances.

Section 11. Effective Date. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five (5) days after publication.

PASSED BY THE CITY COUNCIL ON April 8, 2002.



Mayor Scott Jepsen

ATTEST:



Sharon Mattioli
City Clerk

APPROVED AS TO FORM:



Ian Sievers
City Attorney

Date of Publication: April 11, 2002
Effective Date: April 16, 2002