

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

<p>AGENDA TITLE: Authorize the City Manager to execute an Intergovernmental Cooperative Purchasing and Shared Small Works Roster Agreement with the City of Lynnwood</p> <p>DEPARTMENT: Finance</p> <p>PRESENTED BY: Cathy Robinson, Purchasing Officer Debbie Tarry, Finance Director</p>

PROBLEM/ISSUE STATEMENT:

The Cities of Shoreline and Lynnwood would like to enter into an Intergovernmental Cooperative Purchasing Agreement, as allowed under RCW 39.34, Interlocal Cooperation Act to permit the City of Shoreline to join the Joint Agency Small Works Roster headed by the City of Lynnwood. Council approval is required to authorize the City Manager to execute an interlocal agreement.

ALTERNATIVES ANALYZED:

The Intergovernmental Cooperative Purchasing Agreement will increase efficiencies in bidding and contracting for supplies, material, equipment, or services that may be required from time to time by both cities. It is very likely that both cities will have the need for similar materials, supplies and/or equipment and as such will follow certain acquisition and bid procedures to procure those items. During those processes either City has the ability to write into bid specifications a request of vendors to extend their pricing to other governmental agencies within the State of Washington. When a vendor agrees to extend pricing to other agencies, and entities have signed an interlocal agreement that allows for joint purchasing, it benefits both agencies. This benefit is realized by only one agency having to complete the formal bid procedures, including the development of bid specifications, bid documents, public advertising and process, and the tabulating of bid results. Since most jurisdictions utilize the Daily Journal of Commerce to advertise it is very likely that the same vendors will bid on items under a separate bid process. The City of Shoreline has entered into Intergovernmental Cooperative Purchasing Agreements with the State of Washington and the cities of Seattle and Everett.

The City of Shoreline has an established Small Works Roster system in place. The current small works roster system requires contractors to sign up for a separately maintained City of Shoreline roster and requires Shoreline staff to duplicate work accomplished by the Joint Agency Roster headed and maintained by the City of Lynnwood. Currently, twenty-four other local government agencies are participating in the Joint Agency Small Works Roster system. The benefit of the Joint Agency Small

Works Roster system allows a larger vendor pool to draw from and provides an easier process for vendors to participate.

FINANCIAL IMPACT:

With an Intergovernmental Cooperative Purchasing Agreement, the City would not have the cost of developing bid documents and public advertising on a duplicate bid process already completed by another jurisdiction. In addition, the use of the interlocal will reduce the delivery time to the requesting department, since the City of Lynnwood has already completed the bidding process. There is no cost to the City to enter into an Intergovernmental Cooperative Purchasing Agreement with the City of Lynnwood.

Participating in the Joint Agency Small Works Roster allows the City of Shoreline to save money in advertising costs and costs associated with Small Works Roster administration. An increased competitive pool may result in lower bid prices. There is no cost to the City of Shoreline to participate in the Joint Agency Small Works Roster system. The City of Lynnwood already has an established Small Works Roster for its use. There is no increase in the baseline work and operational cost to Lynnwood, regardless of who accesses the roster for common use. Therefore, there is no need for Lynnwood to defray the cost. A benefit to Lynnwood from the shared roster is that it has become attractive to numerous contractors and now draws a number of new and larger companies onto the roster list, increasing the competitive nature of the bid process.

RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute an interlocal agreement (Attachment A) with the City of Lynnwood for participation in a cooperative purchasing agreement and the Joint Agency Small Works Roster.

Approved By: City Manager City Attorney

INTRODUCTION

On May 29, 2001, the Council approved Ordinance 272, Procurement of Goods and Services, which allows the City of Shoreline to enter into an interlocal contract or agreement with other local governments to establish a cooperative purchasing agreement and to enter into a shared small works roster. The Cities of Shoreline and Lynnwood would like to enter into an Intergovernmental Cooperative Purchasing Agreement and the City of Shoreline would like to join the Joint Agency Small Works Roster headed by the City of Lynnwood. Council approval is required to authorize the City Manager to execute an interlocal agreement.

BACKGROUND

Ordinance 272 allows the City to enter into cooperative purchasing agreements with other local agencies and establishes the process for the City to use a Small Works Roster process. A cooperative purchasing agreement allows the City to take advantage of other agencies competitive bid process to acquire supplies, material, equipment or services.

A Small Works Roster process is a streamlined way to procure public works project under \$200,000. The City advertises at least once a year for contractors to apply to be added to our Small Works Roster. Contractors submit our application package and are added to our roster. When the City solicits bids for projects, estimated to cost less than \$200,000, we use the Small Works Roster. Ordinance 272 also allows the City of Shoreline to enter into an interlocal contract or agreement with other local governments to establish a small works roster to be used by the parties to the agreement or contract.

The City of Lynnwood took the lead in developing a Joint Agency Small Works Roster system. In addition to the City of Lynnwood, twenty-four local agencies are participating in this Joint Agency Small Works Roster system. Those agencies are: the cities of Edmonds, Woodway, Sammamish, Lake Stevens, Gold Bar, Issaquah, Snoqualmie, Granite Falls, North Bend, Bothell, Brier, Kenmore, Kirkland, Lake Forest Park, Mount Lake Terrace, Woodinville, Silver Lake Water District, Community Transit, South Snohomish County Public Facilities District, Northshore Utility District, Edmonds School District, Snohomish County Fire District #10, Eastside Fire & Rescue and Washington School Information Processing Cooperative (WSIPC).

DISCUSSION

Currently, the City of Shoreline advertises once a year, in the Daily Journal of Commerce, for contractors to apply to be added to our Small Works Roster. Contractors submit our five-page application package. Due to staffing limitations, the City conducts a very limited reference check on the contractor's application package by verifying a current contractor's registration number and unified business identifier (UBI No.). City staff enters the contractor's information into the small works roster database and the hardcopy applications are filed. Contractors must complete a new application package every two years. City staff is able to access the Small Works Roster from the City's Intranet.

The City of Lynnwood, as the lead agency for the Joint Agency Small Works Roster system, advertises for the Joint Small Works Roster twice a year in April and October. The advertisements are published in all papers required to meet the legal requirements of the participating agencies, such as The Herald, Seattle Times, Tacoma Tribune, and Daily Journal of Commerce. To encourage the participation of minority and women owned businesses, the City of Lynnwood also advertises in the Diversity News and Asian Weekly. Contractors obtain from and submit an application to the City of Lynnwood. City of Lynnwood staff reviews and checks applications with Department of Labor and Industries, Department of Revenue, Washington Industrial Safety & Health Act (WISHA), and the State of Washington Debarred Contractor List. Job references are checked if no consecutive 3-year business history or public projects are indicated (about 1.5% of the time). Contractors are notified of acceptance by postcard. Approved Contractors are added to the City of Lynnwood's Small Works Roster database. Contractors and participating agencies can access this database via the City of Lynnwood's website.

The City of Lynnwood periodically conducts training seminars for both contractors and agencies on such topics as: how to compete for small works roster projects, how to fill out and complete required paperwork, and workshops from the Department of Labor and Industries and WISHA.

To use the Shared Small Works Roster, the City of Shoreline would access the shared roster database from the City of Lynnwood website, selecting only those contractors listed in the specialty of the proposed project. The City of Shoreline would prepare our own Small Works Roster bid documents and notify the selected contractors of the opportunity to bid on our project.

Benefits to the City of the Joint Agency Small Works roster include:

- Less cost for advertising
- Access to larger competitive pool which may result in lower bid prices
- Free-up City staff time by eliminating the processing of small works applications and maintaining the database and hard copy small works files

The contractors will benefit by having one place to register for multi-agency bid opportunities, access to training on the small works bid process and assistance with filling out the required paperwork.

RECOMMENDATION

Staff recommends the Council authorize the City Manager to execute an interlocal agreement (Attachment A) with the City of Lynnwood for participation in a cooperative purchasing agreement and the Joint Agency Small Works Roster.

ATTACHMENTS

Attachment A: City of Lynnwood Cooperative Purchasing Agreement

COOPERATIVE PURCHASING AGREEMENT

This agreement is made and entered into this ____ day of ____, 2003 between the City of Lynnwood ("City") and the City of Shoreline ("joining agency.") Pursuant to RCW 39.34, the Interlocal Cooperation Act, the parties agree to a cooperative purchasing agreement for (1) various supplies, materials, equipment and services, using the City's competitively awarded contracts and (2) using a Shared Small Works Roster for a list of eligible public work contractors. The parties agree to the following:

Supplies, materials, equipment and services

1. Each agency, in contracting for the purchase of supplies, materials, equipment and services, agrees at its discretion, to extend contracts for shared use to the extent permitted by law, and agreed upon by these parties and the vendor(s).
2. Each agency is independently responsible for compliance with any additional or varying laws and regulations governing purchases.
3. Any purchases shall be effected by a purchase order from the purchasing agency and directed to the vendor(s).
4. The originating contracting agency does not accept responsibility or liability for the performance of any vendor used by the purchasing agency as a result of this Agreement.
5. Each agency shall be independently responsible for payment of any item(s) purchased through a contract or purchase order that resulted from this Agreement.

Shared Public Works Roster

6. The City of Lynnwood is the lead agency.
7. The joining agency may use the Shared Small Works Roster that has been established and maintained by the City of Lynnwood, to select contractors for public work jobs up to \$200,000 in value or as otherwise limited by ordinance or law. The Shared Small Works Roster has been established for shared use by the City of Lynnwood and other public agencies.
8. The City of Lynnwood and the joining agency named herein shall each be independently responsible for their own and the contractor's compliance with all additional or varying laws and regulations governing purchases, including all selection laws, retainage and bonds, prevailing wages, and any other requirements appropriate.
9. The City of Lynnwood shall advertise the Roster annually on behalf of both parties, shall receive and review contractor applications, maintain the list of contractors, and make that list and the applications available to the joining agency. The joining agency shall be independently responsible to determine that the selected contractors are responsible contractors according to the decision and opinion of the joining agency. The City of Lynnwood shall make an initial determination of responsibility, but this initial decision shall be for the convenience of the joining agency only and shall not constitute a decision of responsibility that the City of Lynnwood may be held liable for. It is instead the responsibility of the joining agency to determine responsibility in whatever manner that the joining agency feels is appropriate and consistent with applicable laws.
10. The City of Lynnwood and the joining agency shall each be independently responsible to conduct a quotation or bid process consistent with any ordinance, laws or requirements of their agency.

11. The City of Lynnwood and the joining agency shall each be independently responsible for issuing a contract and/or purchase order directly to the awarded contractor(s).
12. The City of Lynnwood does not accept responsibility or liability for the performance of any contractor used by the joining agency as a result of this Agreement.
13. Each agency shall be independently responsible for any payments directly to any contractor that is employed as a result of this Agreement.
14. The joining agency hereby agrees to indemnify and hold harmless the City of Lynnwood, its officers, employees and agents from any and all claims, actions, costs, damages and expenses of any nature arising out of or in conjunction with any act authorized by this agreement.

This Agreement shall remain in force until terminated upon written notice by either party.

Accepted for the City of Shoreline:

Accepted for the City of Lynnwood:

Steven C. Burkett

Mike McKinnon, Mayor

Printed Name

Date

Title

Date

APPROVED AS TO FORM:

Ian Sievers, Shoreline City Attorney