

**CITY OF LAKE FOREST PARK
RESOLUTION NO.**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
LAKE FOREST PARK, WASHINGTON, REPEALING
RESOLUTION NO., AND ADOPTING A NEW
PROCUREMENT POLICIES AND PROCEDURES MANUAL

WHEREAS, the City of Lake Forest Park (hereinafter referred to as City) requires the ability to let public works projects as allowed by the Revised Code of Washington (RCW); and

WHEREAS, the City requires the ability to enter into personal and professional services contracts as allowed by RCW; and

WHEREAS, the City desires to identify appropriate internal controls and ethical considerations regarding its procurement activities; and

WHEREAS, the City desires to align its Procurement Policies and Procedures with current state law, State Auditor's Office advice, and

WHEREAS, the City wishes to conduct its operations in a prudent, efficient, and cost-effective manner; and

WHEREAS, the City Council recognizes the appropriate delegation to the administration regarding procurement processes can improve efficiencies; and

WHEREAS, the City previously adopted procurement policies and procedures through Resolution No. 617 and Resolution No. 1399.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LAKE FOREST PARK, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. REPEAL. City of Lake Forest Park Resolutions No. 617 and 1399 are hereby repealed in their entirety.

Section 2. ADOPT. The City of Lake Forest Park Procurement Policies and Procedures Manual, attached as Exhibit A, is adopted in its entirety.

Section 3. CORRECTIONS. The City Clerk is authorized to make necessary corrections to this resolution including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers and any references thereto.

Section 4. EFFECTIVE DATE. The City of Lake Forest Park Procurement Policies and Procedures Manual will be effective immediately upon adoption.

PASSED BY A MAJORITY VOTE of the members of the Lake Forest Park City Council this
___ day of ___, 2024.

APPROVED:

Tom French
Mayor

ATTEST/AUTHENTICATED:

Matthew McLean
City Clerk

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
RESOLUTION NO.:

DRAFT

Exhibit A

CITY OF LAKE FOREST PARK
Procurement
Policies & Procedures

DRAFT

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2 POLICY; ENFORCEABILITY

The purpose of this policy is to implement the requirements of state law and, when applicable, federal guidance with regards to the procurement of goods and services and the bidding on public contracts for public works, goods, services, supplies, and materials. It is the City's policy to follow state and, when applicable, federal requirements with regard to the expenditure of public funds, to provide a fair forum for those interested in bidding on public contracts, and to help ensure that public contracts are performed satisfactorily and efficiently at least cost to the public, while avoiding fraud, waste, and favoritism in their award. For federally funded purchases the City has adopted a separate policy. .

All contract approvals and directly related purchasing actions taken through the effective date of this policy are hereby expressly ratified.

Except as otherwise expressly provided herein, the provisions of this policy are intended solely as a convenience and reference guide for City officials and employees. Nothing in this policy is intended to create any liability for or against the City. Without limitation of the foregoing, nothing in this policy is intended to create any enforceable right, entitlement, or cause of action in or for any third parties.

3 DEFINITIONS and ACRONYMS

- a. "Architectural and Engineering services" means services rendered by any person, other than a city employee, to perform activities within the scope of the professional practice of architecture, Chapter 18.08 RCW; professional practice of engineering and land surveying, Chapter 18.43 RCW, or professional practice of landscape architecture Chapter 18.96 RCW.
- b. "Bid splitting" means breaking a public work project or purchase of equipment or supplies into segments.
- c. "Contract" means a contract in writing for the execution of a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process in RCW 39.04.155.
- d. "DES" – Washington State's Department of Enterprise Services.
- e. "Formal competitive bid" is the process of advertising and receiving sealed written bids from prospective vendors. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.
- f. "Informal competitive quotes" are price quotes from vendors that are obtained using a variety of mediums such as phone, fax, e-mail, or writing. Results must be documented and retained by the contracting department and attached to the invoices submitted for payment to the Finance Department. The selection of the vendor is primarily based on the lowest cost from a responsible, responsive vendor.

- g. "Interlocal agreements" are the exercise of governmental powers in a joint or cooperative undertaking with another public agency.
- h. "LFPMC" – Lake Forest Park Municipal Code.
- i. "MRSC" – Municipal Research Services Center.
- j. "Newspaper" – a publication issued at regular intervals, generally daily or weekly, and commonly containing news, comment, features, and advertising.
- k. "Ordinary maintenance" is work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, seasonally, semiannually, but not less frequently than once per year), to service, check or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.
- l. "OSP" – Washington State's Office of State Procurement.
- m. "Personal services" – interchangeable with professional services – services that involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. These activities and products are mostly intellectual in nature, and they do not include Architectural and Engineering services. Example of services include accounting, legal, comprehensive planning, and real estate services.
- n. "Professional services" – see personal services.
- o. "PSE" – Puget Sound Energy.
- p. "Public work," as defined in RCW 39.04.010, 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 city property. Public work projects include the related materials, supplies, and equipment to complete the project.
- q. "Publication" – printed or otherwise reproduced textual or graphic material for sale or distribution to the public.
- r. "PUD" – Public Utility District.
- s. "Purchased services" – different from personal services in that these services are generally routine, repetitive, or mechanical in nature and supports the City's day to day operations. Purchased services include janitorial, debt collections, equipment service agreements, machine repair, or delivery services. (May include ordinary maintenance.)
- t. "RCW" – Revised Code of Washington.
- u. "RFP - Request for Proposal" means a process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are

evaluated based upon the suitability, practicality, quality of the proposal and experience and cost.

- v. "RFQ - Request for Qualifications" means a request only for a firm's general capabilities, including a list of principals, previous projects, number of employees, and licenses. An RFQ does not include pricing information.
- w. "Small Works Roster" is a roster of qualified contractors maintained for use in a modified formal bid process. When the contract amount for a public works project is \$350,000 or less, or as amended in the RCW, the city may follow the small works roster process for construction of a public work or improvement as an alternative to formal competitive bid requirements.
- x. "Sole Source Supplier" occurs when a purchase is clearly and legitimately limited to a single supplier. These situations often arise when an agency has specific technological requirements. Examples include: (a) licensed, copyrighted, or patented products or services that only one vendor provides; (b) new equipment or products that must be compatible with existing equipment or products; (c) proprietary or custom-built software or information systems that only one vendor provides; and (d) products or services where only one vendor meets the required certifications or statutory requirements. Requires Council approval unless an emergency exists. RCW 39.04.280.
- aa. "Use Tax" is a tax on the use of goods or certain services in Washington when sales tax has not been paid. Goods used in Washington are subject to either sales or use tax, but not both.
- bb. "WAC" – Washington Administrative Code

4 GENERAL PROVISIONS

4.1 Purchasing Code of Ethics

To instill public confidence in the award of public contracts and the expenditure of public funds, the City adopts the following code of ethics regarding public contracting:

- a) Actions of City employees shall be impartial and fair;
- b) City decisions and policies shall be made in compliance with required procedures and within the proper channels of government structure;
Public employment shall not be used for personal gain, and City employees shall not solicit, accept, or agree to accept any gratuity for themselves, their families, or others that would or could result in personal gain. Purchasing decisions shall be made impartially, based upon the City's specifications for the contract and the responses of those bidding on the contract; and

4.2 Controlling Laws

The expenditure of public funds for the purchase of and contracting for goods, services, supplies, and materials shall comply with all applicable state law requirements as set forth

in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC). Where this policy conflicts with state law requirements, the more restrictive provision shall prevail. Where this policy is silent with regards to purchasing and/or bidding requirements, state law shall prevail.

4.3 Monitoring and Compliance

Each department director shall implement, monitor, and enforce these policies. In the event of any conflict in procurement requirements or questions about proper procedure or other requirements, the matter shall be referred to the City Administrator and/or the Administrator's designee for further action. Willful or intentional violations of public procurement requirements may result in personal penalties, financial liabilities, and/or discipline. RCW 39.30.020.

4.4 Proper Authorization/Certifications

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and/or to the City and subject to disciplinary action.

4.5 Budget Sufficiency

Each department director must ensure that purchases are initiated only when the departmental budget is sufficient to cover the anticipated cost. Expenditures that exceed departmental appropriations require a budget amendment approved by City Council. Requests for budget amendments must be submitted to the department director in writing, and shall be approved by the requesting director or manager and forwarded to the City Administrator and Finance Director for review prior to being forwarded to the City Council for approval.

4.6 Financing

If a department is requesting financing for equipment or vehicles, it is necessary to work with the Finance Director. Financing documentation shall be included as part of the documentation for City Council approval to authorize Mayor or designee to sign loan or bond documents.

4.7 Breaking Down or Bid Splitting Purchases

The breaking down or bid splitting of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited. RCW 35.23.352(1).

4.8 Cost

Purchase cost includes sales tax, use tax, delivery charges, and any related miscellaneous charges.

4.9 Local Businesses, Women & Minority Owned Businesses, Small Businesses, and Veteran Owned businesses.

4.9.1 Local businesses should be encouraged to submit bids on City procurements that are open to everybody. When determining the lowest bid on purchase of supplies, materials, or equipment, the City may, whenever indicated in advance, take into consideration sales and/or B&O tax revenue it would receive from a supplier located within its boundaries pursuant to RCW 39.30.040.

4.9.2 Women and minority owned businesses as described in RCW 39.19.030(7)(b), Veteran-owned businesses as defined in RCW 43.60A.010 shall be afforded the maximum practicable opportunity to compete for and obtain service contracts with the City.

4.10 Purchasing Limitations

- a) Expenditures are required to be included in the annual budget.
- b) Purchase limitations apply to the aggregate cost of individual items, whether purchase in one order or over a series of orders, per calendar year. Cost is inclusive of sales tax, use tax, delivery charges, and any related miscellaneous charges.
- c) The Mayor or designee may execute personal/professional services and purchased services contracts up to \$50,000 (fifty thousand dollars), for Public Works contracts as long as the contract is consistent with the adopted budget. For all other contracts, the Mayor or designee may execute contracts up to \$30,000 (thirty thousand dollars, except as identified elsewhere in this resolution.
- d) Public Works Contracts greater than \$50,000 (fifty thousand) require Council authorization, except as identified elsewhere in this resolution. All other contracts, greater than \$30,000 required Council authorization.
- e) Contracts of any amount that are not consistent with the adopted budget require Council approval.
- f) Initial Interlocal agreements of any amount with governmental agencies require Council authorization. The Mayor, or designee, may execute renewal or extension of existing Interlocal agreements with governmental agencies up to \$30,000 (thirty thousand), if the agreement's terms address renewal and the agreement is consistent with the adopted budget. All other renewals require Council approval.
- g) The Mayor or designee may present any contract to the Council for approval even if the contract is not required to be approved by the Council.

4.11 Grant Applications

The Mayor and staff are authorized to apply for grants that would carry out projects or services in the adopted biennial budget or adopted capital improvement plan (CIP). If a grant application requires material matching dollars beyond those included in the funded CIP or impacts an adopted City policy, City Council approval must be sought before grant application.

5 **PUBLIC WORKS PROJECTS**

The preparation of plans and/or specifications and an estimate of project cost may be authorized by the Mayor or designee for projects \$50,000 or less and by the City Council for larger projects.

Type of Purchase or Project	Process	Other Requirements	Contract Authorization
Projects costing under \$350K	May use Small Works Roster (the City uses the MRSC Rosters RCW 39.04.155)	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Contract/ Performance bond • Bid bond/deposit (unless using Small Works Roster) If small works roster used, retainage may be waived. RCW 39.04.122(2)(f) 	<ul style="list-style-type: none"> • Must be budgeted. • If \$50,000K or less, Mayor or designee may execute. • All other must be approved by Council
Projects costing \$350K or more	Formal bids	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Contract/ Performance bond • Bid bond/deposit 	<ul style="list-style-type: none"> • Must be budgeted. • Requires Council approval
Projects costing under \$50K (Alternative to the Small Works Roster)	Solicited quotes	<ul style="list-style-type: none"> • Prevailing wage • Contract/ Performance bond required above \$10K . See RCW 39.04.155(3)(b). 	<ul style="list-style-type: none"> • Must be budgeted. • Mayor or designee may execute
Projects with costs exceeding \$75.5K for single trade or \$116,155 for multiple trades) and less than \$350K. RCW 35.23.352. 7/1/2024 \$116,155 will change to \$150,000 per state legislation.	Must call for bids or use Small Works Roster process to solicit quotes	<ul style="list-style-type: none"> • Prevailing wage • Insurance • Contract/ Performance bond • Bid bond/deposit (unless using Small Works Roster) 	<ul style="list-style-type: none"> • Must be budgeted. • If \$50,00K or less Mayor or designee may execute. • All other must be approved by Council
Projects less than \$2,500	One quote needed, two recommended	<ul style="list-style-type: none"> • Appropriate form(s) for prevailing wages • No bond • No retainage 	<ul style="list-style-type: none"> • Must be budgeted. • Mayor or designee may execute

*The Public Works Contract Requirements Matrix is adopted by reference as part of this policy and procedure document.

** On contracts of \$150,000 or less, at the option of the contractor, the City may, in lieu of the bond, retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, and the department of labor and industries and settlement of any liens filed under chapter 60.28 RCW, whichever is later.

Regardless of cost limits, the City may in its discretion solicit formal bids at any time.

Project budget authorization may include a project contingency, not to exceed 20% (twenty percent). If additional budget authority is needed for the project, Council must approve the increase for budget amendment prior to or simultaneously with the approval of the contract.

5.1 Change Orders

Change orders that fall within the Council approved scope, project budget, and project contingency may be executed by the Mayor or his/her designee. Change orders that would change the scope of the project and/or exceed the Council approved project budget and Council approved project contingency require additional Council action.

All change orders, regardless of amount, will be reported to Council on a monthly basis.

5.2 Prevailing Wage Laws

Public work projects and maintenance, when performed by contract, are governed by Chapter 39.12 RCW, Prevailing wages on public works, regardless of contract amount. It is the responsibility of the contracting employee to notify the vendor of prevailing wage requirements and obtain compliance documentation prior to awarding any public work or maintenance contract. Public work and ordinary maintenance contracts will only be awarded to contractors who document compliance with the Washington State Prevailing Wage Law. The department director or designee managing the project is responsible for collecting ongoing compliance documents. If a contractor is found to be in violation of prevailing wage laws by the Department of Labor and Industries, the City will have to withhold payment (including retainage) from that contractor.

6 PROFESSIONAL AND PERSONAL SERVICES

Type of Purchase	Process	Other Requirements	Contract Authorization
Architectural, Land Surveying, and Engineering Services	Request for Qualifications (RCW 39.80)required if \$350,000 and above. Roster process can be used if under \$350,000. See RCW 39.80.040.	<ul style="list-style-type: none"> • Publish RFQ • Must evaluate on performance and qualifications • Negotiate contract after selection 	<ul style="list-style-type: none"> • Must be budgeted • If under \$30,00, Mayor or designee may execute • All other must be approved by Council
All other personal services	No state law required process		<ul style="list-style-type: none"> • Must be budgeted • If under \$30,000, Mayor or designee may execute • All other must be approved by Council

Any professional and/or personal services contracts not part of the budget, regardless of amount, must be authorized by Council.

7 PURCHASES OF MATERIALS, SUPPLIES, AND EQUIPMENT (not associated with Public Works projects)

Type of Purchase	Process	Other Requirements	Contract Authorization
Items costing less than \$7,500	No state law required process		Must be within department budget Department director or designee may execute
Items costing over \$15,000 and vehicles replaced through Fund 501 Vehicle Equip Replacement Fund)	Must call for bids or use State Bid or other Interlocal Council approved bid process	Publication of RFP if bidding	Must be within department budget \$30K or less, Mayor or designee may execute Over \$30K, Council must authorize

7.1 Miscellaneous

7.3.1 Real Property. The purchase or acquisition of real property in fee simple or an interest in real property require City Council approval, unless:

7.3.1.1 it is the acceptance of a dedication or conveyance made in the general course of a development project required by the LFPMC, or

7.3.1.2 . it is an acquisition for a Department of Public Works project and the acquisition price is within the City Council approved budget for the project.

7.3.2 Computer and Telecommunications. A competitive negotiation process, as an alternative to bidding, may be used for computer and telecommunications equipment, software, and services pursuant to RCW 39.04.270. Item(s) must be within budget and may be authorized by the department head. If the price is \$30,000 or under, the contract may be executed, by the Mayor or designee. If the contract is above \$30,000 it must be approved by Council.

7.3.4 Street Improvements. If the public works project is for street signalization or street lighting, it is treated as a single craft or trade project for bidding purposes.

8 BID PROCEDURES

The following shall apply for public work contracts and when formal bidding is required for the purchase of materials, supplies, or equipment, except as otherwise noted:

- To ensure consistency and fair process, the City will use standard forms, documents, contracts, and terms and conditions, when practical. Templates will be maintained for bid-related documents for use by departments when practical. The City may use an evaluation selection committee to promote an open, proper selection. The requesting department director will appoint committee members to act in an advisory capacity.
- Minimum qualifications and/or specifications are stated to ensure bids address the

needs of the City. Minimum qualifications cannot be used to eliminate qualified contractors and vendors. Minimum qualifications should be tested against the marketplace to ensure they are not overly restrictive.

- When practical for public works contracts, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms. Interested companies should be encouraged to attend.
- Selection of a winning offer is based primarily on lowest responsive bid. Quality and expertise, however, may be a consideration to the extent legally permissible.

8.1 Formal Competitive Bid (RCW 35A.40.200)

I. Publication of Notice.

After authorization by the City Administrator or designee, the requesting department will publish the Call for Bids for sealed bids in the official newspaper, or a newspaper or publication of general circulation most likely to bring responsive bids, at least thirteen (13) days prior to bid submittal deadline. Provided, that in addition to the foregoing, the Call for Bids may also be published in any publication deemed appropriate in the sole discretion of the City Administrator or designee. This subsection does not apply if using an authorized Interlocal cooperative purchasing agreement as described in § 11.6 of these Policies.

II. Notice Contents for Public Works Contracts.

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:

- 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. Place, date, and time that bid will be opened;
- g. Statement that a bid bond must accompany the bid;
- h. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bids and/or the bidding process;
- i. 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);
- j. List of the applicable prevailing wage rates or prevailing wage statement;
- k. Statement that the City is an equal opportunity employer and invites responsive bids from all qualified responsible bidders;
- l. The materials and equipment to be furnished, if any.

III. Notice Contents for Purchases of Materials, Supplies, or Equipment.

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 must include:

- a. Name and description of requested items;
- b. Where contract documents (plans and specifications) can be reviewed or obtained;
- c. Cost to obtain a set of contract documents;
- d. Place, date, and time that bids are due;
- e. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process;
- f. Place, date, and time that bid will be opened.

8.2 Bid Opening

Bids are submitted to the responsible department director or designee, where they are time and date stamped and processed. The bids shall be opened at the time and place specified in the advertisement for bids.

- I. Report on Bids: The responsible department director or designee will prepare a report and recommendation on all bids received to the decision maker with the authority to approve the contract.
- II. Bid Award: The City shall award the contract to the lowest responsible, responsive bidder or shall have power by Council resolution to reject any or all bids and to make further calls for bids in the same manner as the original call.
- III. Bid Bonds for Public Works Contracts: Upon award of a public works contract or rejection of all bids, bid bonds shall be returned to the unsuccessful bidders. All bid guarantees must be deposited to the City's account. Bid guarantees belonging to the unsuccessful bidders must be returned as soon as practical after the bid opening in the form of a check written to the contractor. The City shall hold the bid guarantees of the two lowest responsible bidders. If the successful bidder fails to enter into the contract, the bid guarantee is forfeited and the contract is awarded to the next-lowest bidder. If the lowest bidder enters into the contract, the guarantee for the second-lowest bidder is returned. The successful bidder's bid bond or deposit shall be retained until the bidder enters into a contract with the City and furnishes a performance bond in the full amount of the contract price.

Per RCW 35.23.352(2), as referenced in RCW 35A.40.200, if the City has previously issued a written finding that the lowest bidder has, within the last three years, delivered to the City a project that was late, over budget, or did not meet specifications, and the City does not find in writing that the lowest bidder has shown how they would improve performance so as to be likely to meet project specifications, the City may award to the second-lowest bidder that falls within 5% (five percent) of the lowest bidder and meets the same criteria as the lowest bidder.

9 SMALL WORKS ROSTER (RCW 39.04.155(1) AND (2))

RCW 39.04.155 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property. The Small Works Roster may be used for public work projects valued below \$350,000, or as this amount is amended in the RCW, in lieu of formal bidding. Use of the Small Works Roster allows the City to waive the advertisement requirements of the formal competitive process.

The Washington State Municipal Research Services Center (MRSC) compiles small works rosters for cities and counties throughout the State of Washington. The City of Lake Forest Park has contracted with MRSC to use its small works rosters for public works contracts valued below \$350,000.

a) **Invitations for Quotations.**

Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

b) **Number of contractors invited.**

Quotations shall be invited from all, or at least five (5), appropriate contractors per the attached Public Works Contract Requirements.

c) **Vendors/contractors selected from the Small Works Roster are not relieved from observing applicable legal requirements such as Contract Bond, Prevailing Wage, Retainage, etc.**

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

e) **As required by RCW 39.04.200, the City must post a list of contracts awarded from the small works roster once every year. The list must contain the name of the contractor, the amount of the contract, a brief description of the type of work performed, and the date of the award.**

10 LIMITED PUBLIC WORKS PROCESS (RCW 39.04.155(3))

For public work projects with an estimated cost of less than \$50,000, or as this amount is amended in the RCW, the City may use the Limited Public Works Process in lieu of the small works process.

a) **Invitations for Quotations.**

Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished.

However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

b) Number of contractors invited.

Quotations shall be invited from a minimum of three contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder. If no bids are received, see Section 11.7 for guidance.

c) Notification of Award.

After an award is made, the quotations shall be open to public inspection and available by electronic request. The City shall maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four months 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.

d) Vendors/contractors selected using the Limited Public Works Process are required to comply with prevailing wage and insurance requirements.

e) The City may waive the requirement for payment and performance bonds and retainage requirements for limited public works contracts. RCW 39.04.155(3)(b).

11 EXEMPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

RCW 39.04.280 provides uniform exemptions to competitive bidding requirements utilized by municipalities when awarding contracts for public works and contracts for purchases.

11.1 Purchases that are clearly and legitimately limited to a single source of supply (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 director will submit a written request for sole source procurement to the Mayor 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.

The City Council shall approve all sole source purchases by resolution that identifies the factual basis for the sole source justification and concludes that “the purchase is clearly and legitimately limited to a single source or supply.” A sole source resolution shall not be required in case of emergency, under the terms and conditions specified in RCW 39.04.280(2)(b). On-going sole source purchases of materials, equipment, and supplies should be reviewed annually to ensure the pricing is still the lowest price for the City and

that the conditions that justify the sole source purchase still exist.

11.2 Purchases involving special facilities or market conditions

RCW 39.04.280(1)(b) authorizes the City Council by resolution to waive established bidding requirements if purchases involve special facilities or market conditions such as an exceptional opportunity arises to purchase favorably-priced equipment or supplies or used goods that will be sold before the City can conduct the bid process. The resolution must set forth the factual basis for the special market conditions.

RCW 70A.210.110 authorizes exceptions to the requirements of Section 7 and Section 8 of this policy as it applies to purchases for Pollution Control Facilities as they are defined in RCW 70A.210.020. RCW 35.23.351 also authorizes exceptions to the requirements in Section 7 and 8 of this policy as it applies to the selection of persons or entities to construct or develop water pollution control facilities or to provide water pollution control services or solid waste handling services.

11.3 Auctions

RCW 39.30.045 authorizes the City to acquire supplies, materials, and equipment through an auction conducted by an agency of the State of Washington, an agency of the United States, any municipality or other government agency, or any private party if the items can be obtained at a competitive price.

11.4 Surplus Property

The City may acquire surplus property from the state, a city, another political subdivision, the federal government, or a federally recognized tribe without the use of competitive quotes or bids upon terms and conditions as may be mutually agreed. RCW 39.33.010. The requesting department director will submit a written request for procurement to the Mayor for approval, and conduct price, terms, and delivery negotiations, as appropriate.

11.5 Purchases in the event of an emergency

RCW 39.04.280(1)(c) and (e) authorizes waiver of competitive bid processes in the case of an emergency. Emergency is defined 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." RCW 39.04.280(3). If an emergency situation has been declared, the Mayor or designee may make or authorize others to make emergency procurements of materials, supplies, equipment, or services without complying with the requirements of this policy when there exists a threat to public health, welfare, or safety or threat to proper performance of essential functions; provided, that such emergency procurements shall be made with such competition as is practical under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor/vendor shall be included in the contract

file. As soon as practical, a record of each emergency procurement shall be made and shall set forth the contract's name, the amount and type of the contract, and listing of the item(s) procured under the contract, which shall be reported to the Council at the next subsequent meeting. 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. RCW 39.04.280(2)(b).

11.6 Interlocal Agreements

The City may enter into Interlocal agreements with other public agencies similarly authorized under RCW 39.34.030. State law in regard to competitive bidding shall govern any cooperative purchasing agreement. The competitive bid process of the original jurisdiction may substitute for Lake Forest Park's if consistent with the bidding laws that apply to Lake Forest Park. "Piggybacking" on other jurisdiction bids requires an Interlocal agreement. All Interlocal cooperative-purchasing agreements shall be presented to Council for approval.

The City maintains an updated list of active Interlocal agreements. This list is available to all City staff for use in their procurement activities.

11.7 No Bids or Quotations Received

Pursuant to RCW 35.23.352, made applicable to the City by RCW 35A.40.200, when no responsive bids or quotations are received in response to an invitation to bid or request for quotations, the department director or his/her designee is authorized to procure the required supplies, material or equipment through direct negotiations with a vendor or send out another invitation to bid or request for quotations.

12 PAYMENT PROCESSING

12.1 Approvals

Vendor invoices shall be signed for approval by the department director or designee.

12.2 Accounts Payable

Original invoices that are received by accounts payable will be date-stamped and routed to department directors weekly. Other invoices may be received directly by the department director or other staff. For all invoices, department director or designees will verify that the invoiced items have been received and that the invoiced amount is correct. The accounts payable original invoices should include the correct account coding and have a required authorized approval signature added. The approved invoice will be routed to accounts payable for payment. There are two accounts payable check cycles scheduled each month, the 2nd and 4th Thursday of each month, unless the date falls on a holiday. The Finance Director or designee audits the bills prior to City Council meetings ensuring the correct coding of the bills, authorization approvals, and proper

documentation prior to Council approval. The Finance Director or designee approval is required before bills can be paid.

12.3 Pre-Council Meeting Checks

Departments should avoid requests for pre-Council meeting checks by submitting approved invoices to accounts payable as soon as invoices are received. If extenuating circumstances exist, a check may be issued to avoid incurring penalties, interest, or late charges. Recurring invoices for utilities, PUD, PSE, and telephones may be paid early to avoid penalties or late fees.

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