



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee
FROM: Laurel Humphrey, Legislative Analyst
DATE: April 12, 2024
SUBJECT: Resolution updating Purchasing Policy

ISSUE

The draft resolution contains proposed amendments to the City's Purchasing Policy.

BACKGROUND

The City's Purchasing Policy was overhauled and adopted by City Council Resolution in December 2020. Staff has identified a few areas where amendments could streamline processes and/or provide clarity to staff.

Per RCW 35A.11.010, the City's authority to contract, and be contracted with, is vested in the City Council, but the City Council can delegate some authority in service to meeting and process efficiency. Under the current policy, significant staff time is spent preparing items for Council review – writing and reviewing memos, completing scheduling and contract routing forms, attending multiple meetings. A 2023 Lean assessment of the Public Works contracting process identified Council meeting preparation as an area that could benefit from streamlining measures. Further, the April 2024 report on the Financial Sustainability Plan includes a recommendation of good stewardship of public resources, including building a culture and city processes to focus on quality and continuous improvement, and specifically suggests “increasing procurement limits and reducing the number of approval steps.” Changing procurement limits would not reduce transparency. All city contracts are publicly available via the Digital Records Center as well as provided to the City Council in a quarterly report with links to all supporting documents. This report could be expanded to include all contract amendments as well. The City Council's Financial Policies require minimum standards of reporting, which includes a quarterly financial status report. Additionally, monthly departmental expenditure reports are provided to the Finance & Governance Committee, posted online and emailed to agenda subscribers. The proposals described below are recommendations for City Council consideration, but staff's intent is to facilitate the level of oversight, accountability and transparency that meets the City Council's needs.

Capital Projects

Under the proposal, the City Council would approve the preliminary project budget via adoption of the Capital Improvement Program. Contracts associated with the project that fall within this approved spending authority could be signed by the Mayor, but any contracts, contract amendments, or purchases that require additional project funding would need to be presented to the City Council for approval. This would include a transfer from another underspent project.

Signing Authority for Other Purchases

The Mayor’s current signing authority is \$40,000 which has been in place since 2009. Staff suggests that the City Council consider raising this limit to account for inflation and citywide efforts to streamline processes, and suggests a placeholder amount of \$60,000 for consideration. Below is a spot-check sampling from other cities:

- Burien (Council-Manager): \$50K
- Des Moines (Council-Manager): \$50K
- Everett (Mayor-Council): \$50K (for professional services)
- Kent (Mayor-Council): \$100K
- Lake Stevens (Mayor-Council): \$100K
- Monroe (Mayor-Council): \$100K
- Poulsbo (Mayor-Council): \$75K
- Renton (Mayor-Council): \$100K
- SeaTac (Council-Manager): \$100K
- Tacoma (Council-Manager) \$500K

Other Contracting Provisions

The current Purchasing Policy is silent on many questions relating to contracting. The proposal seeks to correct this by adding Contracting to the policy title as well as a new section clarifying many areas of contracting and Council vs Mayoral authority.

Threshold Cost Negotiation Requirements

As a City over 20K population, Tukwila has authority to set bid limits through policy. Section 8 proposes to change the thresholds for purchases of supplies, equipment, and non-professional services. Section 9 proposes to streamline the bid requirements for Public Works contracts.

Change Order Authority

The current policy is silent on Change Orders, which are specific to construction contracts. A new section 9.J. proposes approval authority for change orders.

Disposal of Surplus Property

The proposal changes the threshold for city surplus property requiring a City Council resolution to \$1500 from \$500.

RECOMMENDATION

Staff is seeking Committee discussion on the proposed amendments and is asking for a recommendation to the Full Council, which could occur at the May 13, 2024 Committee of the Whole meeting.

ATTACHMENTS

1. Draft Resolution

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, ADOPTING A PURCHASING AND CONTRACTING POLICY, AND REPEALING RESOLUTION NO. 2015.

WHEREAS, the City Council is committed to the highest standard of financial management; and

WHEREAS, the expenditures of public funds for the purchase of and contracting for goods, services, supplies, and materials must comply with all applicable state and local requirements; and

WHEREAS, a comprehensive purchasing policy helps ensure that public funds are spent in the most economical and transparent way possible;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The Purchasing and Contracting Policy attached hereto as Exhibit A is adopted.

Section 2. Repealer. Resolution No. 2015 is hereby repealed.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Regular Meeting thereof this _____ day of _____, 2024.

ATTEST/AUTHENTICATED:

Andy Youn, CMC, City Clerk

Mohamed Abdi, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____
Passed by the City Council: _____
Resolution Number: _____

Office of the City Attorney

Attachment: Exhibit A – Purchasing and Contracting Policy

CITY OF TUKWILA
PURCHASING AND CONTRACTING POLICY

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1. PROCUREMENT POLICY TABLE

PROJECT TYPE	CITY/TOWN	COMPETITIVE BIDDING REQUIREMENTS			
Public Works Project	Same Requirement for ALL cities	If your project is:	<\$75,500	\$75,500 - \$350,000	>\$350,000
		Type of Bidding Required:	Minimal Competition Process	Small Works Roster	Formal Competitive Bidding
			Agencies may seek quotes directly from individual vendors. No competitive bidding required.	List of qualified contractors who can bid for an eligible project below \$350,000. (RCW 35.04.155).	Requires local agencies to award PW contracts to responsible bidder with lowest responsive bid.
Purchase of goods, equipment, supplies, or materials (not connected with PW project)	Cities under 20,000 population	If your purchase is:	<\$7,500	\$7,500-\$15,000	>\$15,000
		Type of Bidding Required:	Minimal Competition Process	Vendor List	Formal Competitive Bidding
	Cities over 20,000 population		Type of Bidding Required:	State law does not establish any specific bid limits or competitive processes that first-class cities or code cities over 20,000 must follow for purchases. You should establish bid limits and competitive processes in policy.	
Professional Services	Same Requirement for ALL cities	Type of Bidding Required:	All local governments must follow the same qualifications-based selection (QBS) process outlined in RCW 39.80. You must solicit competitive bids and evaluate them based on qualifications, without regard to cost.		
Personal Services	Same Requirement for ALL cities	Type of Bidding Required:	State law does not require any thresholds or processes for personal services contracting. If your project receives any federal funding, must comply with federal competitive requirements.		
Purchased Services	Same Requirement for ALL cities	Type of Bidding Required:	State law does not prescribe any thresholds or processes for purchased services contracting. However, some purchased services may require payment of prevailing wages.		

2. ADMINISTRATION

A. Purpose

This policy is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, and competitive process is to be used whenever reasonable and possible. It is the City's policy to follow state requirements regarding 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 the least cost to the public while avoiding fraud and favoritism.

B. Controlling Laws

The expenditures 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), in addition to other applicable local and federal laws and regulations. The City Attorney shall be consulted when questions regarding potential conflicts arise.

C. Compliance with Policy

The City's department heads 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 Finance Director. Willful or intentional violations of public procurement requirements may result in personal penalties, financial liabilities, and/or discipline per RCW 39.30.020.

D. Signing Authority and Approval

- 1) Per RCW 35A.11.010, the City's authority to contract, and be contracted with, is vested in the City Council. City Council has delegated authority to the Mayor to execute contracts and contract modifications that meet the criteria of this Policy.
- 2) Any City staff member purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and the City, and subject to disciplinary action.
- 3) Electronic signatures of authorized City staff may be accepted pursuant to the City's Electronic Signature Policy.
- 4) All work or any purchase authorized with a particular vendor, consultant, or contractor that cumulatively is expected on a particular project to exceed an annual amount of \$20,000 must be in writing, and approved according to the authority provided for within Section 7.

3. DETERMINING TOTAL COST

A. Anticipated Cost

The anticipated annual need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which contract approval level, cost threshold, and other related purchasing requirements apply.

B. Prohibition on “Bid Splitting”

The breaking of any project into units, or accomplishing any project by phases, is prohibited if it is done for the purposes of avoiding compliance with bidding statutes. RCW 35.23.352(1).

To avoid bid splitting:

- 1) Combine all phases of a public work project when estimating cost.
- 2) Combine the total of foreseen identical items purchased at the same time or within a calendar year’s time, in which the cost exceeds competition limits (i.e. office supplies, laundry services, janitorial paper products, etc.)
- 3) Items that are designed, or intended to be used together (i.e., water meters and covers), and the cost exceeds competition limits, should be bid together.

C. Total Costs to Include

Include costs such as taxes, freight, and installation charges when determining which cost threshold applies. Do not include the value of a trade-in. Trade-in value should be considered, however, to determine the lowest bid when competitive bidding is used.

Further requirements for the total quantity of an item (when they can be reasonably projected) should be considered when determining which cost threshold and related purchasing requirements apply.

Finally, if a project is to be completed in phases, the total accumulated cost for all phases should be considered when determining which cost threshold applies.

4. VENDOR RELATIONS

A. Ethics of Procurement

The City is committed to providing a very fair, transparent and equitable process to our purchases. We ask all staff participating in a solicitation and/or award process to be thoughtful of any perceived or actual conflicts of interest. See Tukwila Municipal Code (TMC) Section 2.95.030 (“Code of Ethics for Employees and Appointed Officials”) for more information.

The City seeks to avoid situations that involve conflicts of interests or the appearance of such conflicts based on inappropriate opportunities to influence the solicitation and/or award process. The City uses the measures of how a reasonable person would perceive the situation. A reasonable person standard might consider how the situation would appear if covered by a news story or viewed from the perspective of a public interest group. Common questions to ask are: Could you comfortably explain your actions? Would taxpayers believe you were acting in their best interest?

City staff should refuse gifts, meals and invitations to events such as concerts or sporting events, that could be reasonably perceived as: improperly influencing performance of your official duties; a reward for awarding a contract; or offered or given to influence, find favor, or with a reasonable expectation of creating an obligation to the giver. Vendors are prohibited from offering gifts during the solicitation and ensuing contract award process. Contact the City Attorney for assistance if you encounter unusual situations.

Finally, contact the City Attorney before initiating a contract with a former City employee to determine if doing so would create an actual conflict of interest or the appearance of a conflict of interest.

B. Buy Local

It is the City's policy to take affirmative steps to encourage local businesses to apply to participate in the procurement process. Further, to the extent legally possible, the City will consider the use of those local businesses in order to support and enhance the local economy.

C. Environmental Sustainability

The City is committed to the protection of the environment and has taken steps towards becoming more sustainable. Accordingly, departments are strongly encouraged to purchase recycled and other environmentally preferable products whenever practicable and to encourage this of their contractors. However, nothing in this policy shall be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price.

D. Social Equity

The City shall endeavor to contract with minority-owned businesses and contractors and materials suppliers pursuant to the goals outlined in the City's Equity Policy, which provides guidance to City elected officials, staff, boards and commissions, partners, residents, businesses and guests on how to actively promote equitable access to opportunities and services.

5. GRANTS AND FEDERAL FUNDING

A. General Rule

Not all grant funded projects are covered by this policy because many of the grants have their own procurement requirements. Grant Managers are responsible for grant purchases, but shall consult with Finance Director or designee prior to initiating any grant purchases. Grant managers are responsible for ensuring all grant purchases comply with grant procurement requirements.

B. Purchases of Goods or Service Reimbursable from a Federal Grant

When spending federal funding, the City complies with the Uniform Administrative Requirement, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance) published in Title 2 of the Code of Federal Regulations (2 CFR 200), specifically 2 CFR 200.318 through 200.326, which can be accessed [HERE](#). Please note that all grants are different, so one size does not fit all. Some grants simply require you to use your own procurement rules, while others require you to insert their contracting clauses into your contract.

However, some general guidelines from the Uniform Standards are outlined below:

- 1) [Section 200.62](#) of the Uniform Guidance requires and defines internal control over compliance requirements for federal awards to mean a process implemented by the City designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:
 - a. Transactions are properly recorded and accounted for, in order to:
 - i. Permit the preparation of reliable financial statements and Federal reports;
 - ii. Maintain accountability over assets; and
 - iii. Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;

- b. Transactions are executed in compliance with:
 - i. Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - ii. Any other Federal statutes and regulations that are identified in the Compliance Supplement; and
 - iii. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
- 2) [Section 200.320](#) of the Uniform Guidance requires the City to ensure that purchases are procured in accordance with the following guidelines:
 - a. **Procurement of \$3,000 and under:** To the extent practicable, the City must distribute these purchases equitably among qualified suppliers. Purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable.
 - b. **Procurement between \$3,000 and \$150,000:** Price or rate quotations must be obtained from an adequate number of qualified sources.
 - c. **Procurement above \$150,000:** Sealed Bids or Competitive Proposals or Sole Source:
 - i. **Sealed Bids** – Bids are publicly solicited and a fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.
 - ii. **Competitive Proposals** – Used when more than one source has submitted an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids.
- 3) [Appendix II to Part 200](#) – Contract provisions for city contract under federal awards requires the City to verify that all contractors are not suspended or debarred from Federal funding. Prior to executing a federal-aid agreement, the City must verify status with the System for Award Management (SAM) at <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf> to determine if the contractor/consultant has been excluded from bidding on a federal aid contract. SAM is the electronic version of the Lists of Parties Excluded from Federal Procurement and Non-Procurement Programs (Lists), which identifies those parties that have been suspended, debarred, otherwise excluded from bidding on federal contracts or consultants that will not be eligible for federal aid reimbursement.
- 4) Pursuant to the Washington Secretary of State Local Government Records Retention Schedule, financial records pertaining to the purchase must be retained in accordance with the applicable Washington State Records Retention schedule. Further, each City Department awarded grant services shall maintain records of all purchases and be responsible for following grant requirements.

6. CONTROLLED COMMODITIES

If the cost of the following item(s) is over \$~~100.00~~~~75.00~~, purchase of the item requires approval from the Tukwila Technology and Innovation Services Department Director or designee:

- A. Computers and related equipment, fax machines, printers, scanners and copiers, cell phones, telephone equipment, pagers, software or systems.
- B. Anything the Tukwila Technology and Innovation Services Department is requested or required to install, connect, and/or service.

7. TYPES OF PROJECTS AND CONTRACTING AUTHORITY ~~CONTRACT APPROVAL LEVELS~~

It is necessary to establish a uniform practice for approval and execution of City of Tukwila contracts, ensure City Council review of important and legally required contracts and other legal instruments, provide for efficient, streamlined preparation and execution of other contracts not requiring Council review, while also ensuring accountability.

The following types of projects and contract approval levels are intended to be for projects with previously allocated funds approved by City Council.

A. Capital Projects~~Public Works~~:

Project Budget. The preliminary project budget approved by the City Council in the Capital Improvement Program (CIP) establishes the spending authority for a capital project. The preliminary budget is determined via a multitude of factors, including the urgency of the project, awarded or prospective grant funding, revenue forecasts, and prior fund balance. If additional funds are required, including a transfer from another underspent project, the request must be approved by the City Council. The following thresholds apply to project contracts and contract amendments that can be included within the approved preliminary project budget.

- 1) \$20,000 or less..... Approved by Department Director
- 2) \$20,001 to approved project budget* Approved by Mayor, provided the project is in the Capital Improvement Program (CIP).
- 3) Additional project funding Approved by City Council

- ~~1) \$20,000 or less~~..... ~~Approved by Department Director~~
- ~~2) \$20,001 to \$39,999~~ ~~Approved by Mayor, provided the project is in the Capital Improvement Program (CIP).~~
- ~~3) \$40,000 or more~~ ~~Approved by City Council~~

~~All public works projects must be within the CIP budget. If additional funds are required, the request must be approved by City Council.~~

B. All other types of purchases (professional services, personal services, purchased services, materials/supplies/equipment):

Professional services provided by a consultant that fall under architecture, engineering, land surveying, or landscape architecture. Contract approval levels:

- 1) ~~\$20,000~~ or less Approved by Department Director
- 2) ~~\$20,001 to \$59,999~~ ~~39,999~~ Approved by Mayor
- 3) ~~\$60,000~~ ~~40,000~~ or more Approved by City Council

~~Cost modifications that, either singly or combined with all previous modifications, increase the total contract amount from under to over the \$40,000 signature threshold shall be approved by City Council.~~

C. Other Contracting Provisions:

- 1) All statutory bidding and contracting requirements as set forth in State law shall be followed.
- 2) To assist in contract management and retention, all contracts will include a date by which full performance of the contract shall be complete.
- 3) All contracts will be approved as to form by the City Attorney.
- 4) All contracts will be processed and filed in accordance with administrative procedures required by the Finance Department and Office of the City Clerk.
- 5) Except as otherwise specified, the Mayor or his or her designee has authority to approve and sign the following types of contracts without need for separate Council approval or ratification:
 - a. All contracts for which the Original Contract Value is less than \$60,000.
 - b. All contracts settling claims, litigation or threatened litigation for which the Original Contract Value, less any contribution from a City insurance policy, does not exceed \$250,000.
 - c. Contracts and/or contract amendments specifically authorized by other Council action.
 - d. Work orders issued pursuant to RCW 39.10.450 so long as the overarching Job Order Contract was previously approved by Council.
 - e. Annual technology hardware, software, or services renewal agreements including annual license renewals, subscription services, support and maintenance extensions, and general services renewals which do not exceed \$250,000.
 - f. Acquisitions of easements, right-of-way, or title incident to a public works project budgeted by the City Council.
- 6) The following types of contracts require advance Council approval prior the Mayor or designee's signature:
 - a. Interlocal Agreements – all contracts, agreements, memoranda of understanding, or other documents between the City of Tukwila and any other governmental agency or agencies. An agreement in association with a grant application is not considered an interlocal agreement for purposes of this subsection but is subject to the monetary thresholds in Subsection B.
 - b. Any contract for the sale or purchase of real estate except for acquisitions of easements, right-of-way or title incidental to a City public works project budgeted by the City Council.
 - c. Any contract to lease or otherwise encumber City-owned real estate for a period of more than one (1) year unless the contract provides the City with an option to terminate the lease early without cause or damages by providing no more than six (6) months' notice of termination.

- d. Public Works contracts that require award by the City Council pursuant to Chapter 39.04 RCW.
- e. Any contract that transfers risk to the City of third party claims arising out of a contractor's misconduct or negligence if the risk transferred thereby would not be covered by the City's insurance policies.
- f. Any contract that, pursuant to applicable law, requires authorization from the City Council
- g. Any contract of any amount not consistent with the adopted budget.

7) Contract Amendments

- a. Amendments that do not change the total value of the contract (i.e. a new expiration date) may be signed by the Department Director.
- b. Amendments that, either singly or combined with all previous amendments, increase the total contract amount from under to over the Mayor's signature threshold require City Council approval.
- a-c. Amendments that, either singly or combined with all previous amendments, exceed 10% of the original contract or the Mayor's signature threshold, whichever is less, require City Council approval

8. THRESHOLD COST NEGOTIATION REQUIREMENTS

The following cost thresholds apply for purchases of supplies, equipment, and non-professional services. Non-professional services include routine and continuing functions predominately related to physical activities.

The cost thresholds below **do not** apply to purchase constituting public works or professional services (including architectural or engineering services). Refer to Section 13 for situations involving sole source or emergency purchases.

A. \$15,000 ~~10,000~~ or Less: Direct negotiation

Purchases in this price range may be entered into through direct negotiation. Competition is not required, though departments should still make every effort to receive the best price possible. Documentation on all quotes should be retained.

B. \$15,001 ~~10,000~~ to \$50,000: 3 quotes needed

For purchases in this price range, at least three quotes shall be obtained. Quotes may be obtained by telephone or in writing. Documentation on all quotes will be retained. The documentation will include the date, time, vendor contact name, phone number, email (if applicable), price quoted and any reasons for acceptance or refusal of the quote.

C. \$50,001 ~~50,000~~ or More: Competitive Bids

For purchases in this price range, competitive bids shall be obtained from at least 3 vendors. Bids do not need to be sealed but shall be in writing. See Section 10 on competitive bidding for a detailed description of the procedures to be followed.

9. PUBLIC WORKS PROJECTS

Public works projects are defined by RCW 39.04.010 to include but are not limited to work, construction, alteration, repair, or improvement (other than ordinary maintenance, engineering analysis, and design and other professional services) executed at the City's cost, or which is by law a lien or charge on any property therein. If the City contracts out for maintenance or repairs, the work is a public work for bidding and prevailing wage purposes.

A. Defining Project Costs

The cost of a public works project includes the costs of materials, supplies, equipment, and labor on the construction of that project. It is important to determine the estimated total construction of each project in order to correctly apply bid limit dollar amounts to determine if the public works project must be competitively bid. If the total project amount is over the bid thresholds, then all contracts, no matter the individual dollar amount, must be procured through the bid process. The estimate may be prepared by an outside third party; however, the final cost estimate must be validated by the City.

B. City Labor

The City may use Public Works staff to perform and execute all projects not exceeding \$116,155 (multiple crafts), or not exceeding \$75,000 (single craft). RCW 35.23.352. These projects include equipment, material, supplies, and labor costs. However, the City must provide a report to the state auditor of the costs of all public works in excess of \$5,000 that are not let by contract. For any project using City workers that costs in excess of \$25,000, the City must publish a description of the project and its estimated cost in its official newspaper at least 15 days before beginning the work. RCW 39.04.020.

C. Bid Requirements

Washington State law requires the City to call for bids whenever the cost of a public work will exceed \$116,155, if more than one craft or trade is involved. If only a single craft or trade is involved, or if the project is for street signalization or street lighting, bids must be called for if the cost is greater than \$75,000. The City has established the following additional guidelines for the bidding process:

- 1) **Public Works Contracts \$50,000 or less:** Minimal competition.
Place inquiries to 1 – 3 qualified firms or individuals describing the desired services, request prices, schedules and qualifications.
 - 2) **Public Works Contracts \$50,001 to \$300,000:** Informal competition.
Select from appropriate consultant roster or other list and ask for proposals.
 - 3) **Public Works Contracts \$300,001 or more:** Formal competitive bidding.
Advertise and call for bids using the formal bid process.
 - 4) **Exceptions:** If the public works project is funded in whole or in part by Federal funds, a formal bid process may be required. Refer to the Uniform Guidance procurement standards in 2 CFR § 200.318-200.327.
- ~~1) **Public Works Projects \$0 to \$500:** No competitive bidding is needed.~~
 - ~~2) **Public Works Projects \$501 to \$2,500:** Solicit 3 informal quotes by telephone or in writing.~~
 - ~~3) **Public Works Projects \$2,501 to \$10,000:** Solicit 3 informal quotes by telephone or in writing, preferably from the Small Works Roster.~~

- ~~4) **Public Works Projects \$10,001 to \$35,000:** Solicit 3 quotes from the Small Works Roster.~~
- ~~5) **Public Works Projects \$35,001 to \$150,000:** Solicit quotes from at least five contractors on the Small Works Roster in a manner that will equitably distribute opportunities.~~
- ~~6) **Public Works Projects \$150,001 to \$300,000:** Solicit 5 quotes from Small Works Roster and notify the remaining contractors on the Roster that quotes on the work are being sought.~~
- ~~7) **Exceptions.** If the public works project is \$250,000 or greater and is funded in whole or in part with federal funds, a formal bid process is required. This threshold is set by the federal government at 2 CFR § 200.88 and 48 CFR § 2.101 (“Simplified acquisition threshold”) and is subject to periodic adjustment for inflation pursuant to 41 U.S.C. § 1908.~~
- ~~8) **Public Works Projects More than \$300,000:** Advertise and call for bids using the formal bid process.~~

All contracts are to be awarded to the lowest responsible bidder. RCW 39.04.350 outlines criteria that a bidder must meet in order to be considered responsible.

~~D. Small Works Roster~~

~~If the public works contract is less than \$350,000, state law authorizes cities to use a small works roster process rather than the general competitive bidding requirements to award public contracts. The City has contracted with MRSC (Municipal Research and Services Center) for the use of a statewide electronic database for small public works contractors, consulting services, and vendors.~~

DE. Limited Public Works Process

The limited public works process is a type of small works roster process that applies only to contracts estimated to cost less than \$50,000. While no advertisement is required, the City must still solicit electronic or written quotations from a minimum of three contractors from the appropriate Small Works Roster. This process is described in RCW 39.04.155(3) and allows the City to waive the payment and performance bond requirements of Chapter 39.08 RCW and the retainage requirements of Chapter 60.28 RCW. However, prevailing wage affidavits and insurance are still required. Consult with the City Attorney for prior approval when waiving both of these requirements.

EF. Prevailing Wages

The City is required by RCW 39.12.040 to require contractors to pay prevailing wages on all public works contracts. A “Statement of Intent to Pay Prevailing Wages” must be received from a contractor before any payment is made, and an “Affidavit of Wages Paid” must be received following final acceptance of the work.

FG. Bid Deposit, Performance Bond, and Payment Bond

The City may require a bid deposit when soliciting competitive quotes or bids. The bid deposit can be in the form of a certified check or bid bond in an amount equal to and not less than 5% of the total bid and shall be specified in the call for bids. All public works contractors shall furnish a performance bond and a payment bond in an amount equal to the total amount of the contract on a form approved by the City Attorney. In lieu of a performance bond on contracts of \$150,000 or less, a contractor may request to have 10% of the contract retained for a period of 30 days after the date of final acceptance. The request will be evaluated and accepted or rejected by the City Attorney.

G.H. Retainage

Chapter 60.28 RCW outlines the requirements related to retainage. The intent of the retainage is to guarantee that laborers and material suppliers will be protected for payment of any claims arising under the contract and with respect to taxes, increases, penalties or liens related to a public improvement project (RCW 60.28). Retainage may also be used to satisfy tax claims by the Department of Revenue and/or the City, prevailing wage related claims by the Department of Labor and Industries, unemployment compensation related claims by the Employment Security Department, and contract performance claims by the City itself. State law requires the City to withhold up to 5% of the contract price for retainage purposes.

H.I. Public Works over \$1 Million

RCW 39.30.060 specifies that in order for their bid to be considered responsive, every bidder for a public works contract of over \$1 million must submit (either with their bid or within one hour of the bid submittal time) the names of all subcontractors that will be used for heating, ventilation and air conditioning, plumbing and electrical work.

I.J. Alternative Public Works Contracting Procedures

Chapter 39.10 RCW permits alternative public works contracting procedures. The State legislature finds that the traditional process of awarding public works contracts in lump sum to the lowest responsible bidder is a fair and objective method of selecting a contractor. However, under certain circumstances, alternative public works contracting procedures may best serve the public interest if such procedures are implemented in an open and fair process based on objective and equitable criteria. If the City desires to utilize the alternative procedures, it shall follow the requirements set out in RCW 39.10.

J. Change Order Authority

A change order is a written amendment or modification of a contract for the construction of a capital project, including, but not limited to, contracts for construction of a public work using alternative public works processes authorized by state law. The following outlines the Mayor's approval authority only for change orders that do not materially change the intended scope of the project. Change orders that change the intended scope of the project or that exceed the cost thresholds outlined below require City Council approval.

- 1) **Capital project under \$499,999.** The Mayor is authorized to sign change orders on a capital project where the original construction contract value is under \$500,000 to the extent the sum of the change orders do not exceed 20% of the original contract value.
- 2) **Capital project between \$500,000 to \$999,999.** The Mayor is authorized to sign change orders on a capital project where the original construction contract value is \$500,000 - \$999,999 to the extent the sum of the change orders do not exceed an amount equal to \$100,000 plus 15% of the original contract value that exceeds \$500,000.
- 3) **Capital project between \$1,000,000 to \$4,999,999.** The Mayor is authorized to sign change orders on a capital project where the original construction contract value is at least one million dollars and less than five million dollars to the extent the sum of the change orders do not exceed an amount equal to one hundred seventy-five thousand dollars plus 10% of the original contract value that exceeds \$1,000,000.
- 4) **Capital projects of at least \$5,000,000.** The Mayor is authorized to sign change orders on a capital project where the original construction contract value is at least \$5,000,000 to the extent the sum of

the change orders does not exceed an amount equal to \$575,000 plus 5% of the original contract value that exceeds \$5,000,000.

~~4~~5) Before or during the course of a particular capital project, the City Council may authorize different or additional limits for change orders or withdraw the authority granted by this section.

10. **COMPETITIVE BIDDING PROCESS**

A. Public Notice

[RCW 35.23.352\(1\)](#) sets out the advertising requirements for the public works bidding process. For all contracts that require bids, notice shall be published in the official newspaper at least 13 days prior to the due date for bids.

B. Bid Specifications

Bid specifications should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be purchased. Such descriptions should not contain features that unduly restrict competition.

When it is impractical or uneconomical to make clear and accurate description requirements, a “brand name or equal” description may be used. The responsibility of demonstrating to the City’s satisfaction that a product is “equal” to that specified shall be on the vendor proposing the substitution.

Requests for approval of substitutions must be made with sufficient time to allow the City to adequately review the proposal, including time for vendors to respond to questions and requests for additional information or clarification. The City has no obligation to accept proposed substitutions.

Acceptance of a substitute product proposed as an “equal” to that specified will be made in writing. If this acceptance occurs prior to the bid, other bidders will be notified to the extent practical.

C. Award

The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids, or all bids will be rejected. [RCW 39.04.350](#) outlines criteria that a bidder must meet in order to be considered responsible. The City also requires that the contractor must:

- Have or agree to obtain a current City business license
- Be current with all applicable licenses, taxes, and fees owed to the City of Tukwila

In addition, the City adopts the following supplemental criteria which may be used in connection with specified projects:

- The ability, capacity, and skill of the bidder to perform the contract or provide the service required
- The character, integrity, reputation, judgment, experience, and efficiency of the bidder
- Whether the bidder can perform the contract within the time specified
- The quality of performance of previous contracts or services
- The previous and existing compliance by the bidder with laws relating to the contract or services
- Such other information as may be secured having a bearing on the decision to award the contract

When using the supplemental criteria described above, the City will include the supplemental criteria in the bidding documents, together with a basis for evaluation, deadline for bidder to submit required documentation, and deadline for bidder to appeal a “not responsible” determination.

When a trade-in option exists and is in the City’s best interest, the price offered on the trade-in will be considered when determining the lowest responsive and responsible bid.

RCW 39.30.040 allows any local sales tax revenue generated by the purchase to be considered in determining the lowest responsive and responsible bid. Other preferences favoring local businesses are not permitted.

D. Cancellation

An invitation for bids may be cancelled. Additionally, the City (at its sole discretion) may choose to reject any or all bids, in whole or in part. A resolution is the preferred method for rejecting all bids; examples may be found in the City's Digital Records Center or by contacting the City Clerk's Office.

E. Bid Submittal

Bids will be submitted as specified in the Invitation for Bid by the appointed date and time listed in the invitation. Each bid will be dated, and time stamped as it is received. Late bids will not be accepted. If the bid is for a sealed bid process, all qualified bids will be opened and read aloud publicly at the appointed time.

No City representative shall inform a contractor of the terms or amount of any other contractor's bid for the same project prior to the bid opening date and time. Once bids have been submitted (and opened, if the bids are sealed), the City may not negotiate with bidders. The contract must be awarded to the lowest responsive and responsible bidder, or else all bids must be rejected.

A written record shall be made of each contractor's bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations shall be recorded, open to public inspection, and available by telephone inquiry.

F. Bid Security

[RCW 35.23.352\(1\)](#) provides that each bid must be accompanied by a bid proposal deposit in the form of a cashier's check, postal money order, or surety bond to the City Council for at least 5% of the bid amount, including sales tax. The statute adds that "no bid shall be considered unless accompanied by such bid proposal deposit."

G. Non-Collusion Affidavit

Each bidder shall be required to warrant that their bid is genuine, and that they have not entered into collusion with other bidders, by submitting with their bid an executed and notarized affidavit on a form approved by the City Attorney.

11. SERVICE CATEGORIES

There are several different categories of services, so it is important to determine what service you need because that may guide the manner of solicitation.

A. Professional Architectural and Engineering Services

Professional architectural and engineering (A&E) services are services provided by any person, other than an employee of the agency, that fall under the general statutory definitions of:

- Chapter 18.08 RCW (Architects)
- Chapter 18.43 RCW (Engineers and Land Surveyors)
- Chapter 18.96 RCW (Landscape Architects)

1) *Purchase of A&E services.*

By law, A&E consultants are first selected based upon their qualifications as opposed to price. See Chapter 39.80 RCW. This statute says that a city may not consider price in the selection process for professional

A&E services. Rather, the City must select the most qualified firm and then negotiate a price for the work contemplated.

There are two ways to select an A&E consultant:

- Use a Request for Proposal (RFP). This requires the City to draft a written scope of the project and list the criteria used to select the consultant from the City's MRSC architectural, landscape architectural, and engineering service roster pursuant to the process in Chapter 39.80 RCW.
- Use a Request for Qualifications (RFQ). This requires following the formal RFQ process in Chapter 39.80 RCW.

Once consultants have submitted their proposals or qualifications, as applicable, the City will negotiate a contract with the most qualified firm at a price the City deems fair and reasonable. In making its determination, the City will take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the service to be provided. If the City is unable to negotiate a satisfactory contract with the firm selected at a price that is determined fair and reasonable, negotiations with that firm will be formally terminated. Another firm will then be selected, and the process continued until an agreement is reached or the process terminated.

2) **Publication.**

RCW 39.80.030 requires that the City shall publish in advance the City's requirement for professional services. The City may comply with this section by: (1) publishing an announcement on each occasion when professional services provided by a consultant are required by the City; or (2) announcing generally to the public its projected requirements for any category or type of professional service to create a Consultant Roster. Advertising for the Consultant Roster must be done at least once a year by MRSC on the City's behalf. The MRSC Consultant Roster will distinguish between professional architectural and engineering services as defined in RCW 39.80.020 and other consulting services. Firms or persons providing consulting services shall be added to the appropriate Roster at any time they submit a written request and necessary records. The City reserves the right to publish an announcement on each occasion when professional services or other consulting services are required.

B. Personal Services

Personal services are those provided by independent consultants that require specialized knowledge, advanced education, and/or professional licensing to provide intellectual service. This includes but is not limited to accountants, attorneys, strategic planners, studies/analysis, and trainings.

Purchases of Personal Services. Personal services can be purchased in a variety of ways. The City can send a written solicitation to qualified firms or individuals describing the needed services. This solicitation should request prices, schedules, and qualifications. If helpful, utilize the MRSC Consultant Roster. Alternatively, develop a formal RFP and advertise for the services desired.

C. Purchased Services

Purchased services include those provided by vendors for routine, necessary and continuing functions of the City. These services are usually repetitive, routine, or mechanical in nature, support the agency's day-to-day operations, involve the completion of specific tasks or projects, and involve minimal decision-

making. There are a number of purchased services, however, that hover over that thin gray line between purchased services and public works contracting. For example, the Department of Labor and Industries considers some service contracts, such as HVAC maintenance or road striping, to be public works projects and subject to public bidding requirements. If a particular contract is very near the gray line, the conservative approach is to consider it a public works contract.

Purchases of Purchased Services. Similar to personal services, purchased services can be procured in a variety of ways. The City can obtain quotes, or use a formal bid, or an RFP. If obtaining quotes, include request for price, schedules, and qualifications. Evaluate proposals received and determine the lowest responsive bidder.

12. MATERIALS, SUPPLIES, EQUIPMENT (UNRELATED TO PUBLIC WORKS, SERVICES, A&E)

Distinguishing between public works and materials, supplies, and equipment not used in public works is important because different bidding requirements apply to each. Some “materials, supplies, and equipment” not used in connection with a public works project or improvement are fairly easy to identify (rubber bands, fire trucks, copy machines), as well as many “services.” Some materials, supplies, and equipment are more ambiguous. Other materials, including telecommunications, data processing, and software have specific purchasing guidelines established in state law.

A. Telecommunications, Data Processing and Software. The State Legislature, recognizing the unique aspects of computer and telecommunication systems, established an alternative process for making such purchases. RCW 39.04.270, which is available to all municipalities, allows purchases through use of an alternative competitive negotiation process requiring, at a minimum, the following steps:

- 1) A request for proposals (RFP) must be published in a newspaper of general circulation at least 13 days before the last date on which the proposals will be received.
- 2) The RFP must identify significant evaluation factors, including price, and their relative importance.
- 3) The City must provide reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and selection for awarding the contract.
- 4) The award must be made to the qualified bidder whose proposal is “most advantageous” to the City.
- 5) The City may reject all proposals for good cause and request new proposals.

B. Additional guidance regarding purchases of materials, supplies and equipment can be found in Section 8. Refer to the Procurement Policy Table in Section 1 of this policy, and ask questions if you are uncertain.

13. EXCEPTIONS TO THE COMPETITIVE PROCESS

State law provides for exceptions to the bidding requirements outlined in above sections. These exceptions only waive the competitive bidding requirements, not the contractual requirements, approvals, or insurance requirements. City staff may not use personal preference as the basis for claiming a single source of supply.

Exceptions to the competitive bidding requirements include:

- Purchases that are clearly and legitimately limited to a single source of supply such as:
 - Licensed or patented good or service
 - Items that are uniquely compatible with existing equipment, inventory, systems, programs or services
 - Meets City standards (i.e. water meters)
 - Factory-authorized warranty services

A resolution is the preferred method for sole source purchases; examples may be found in the City's Digital Records Center or by contacting the City Clerk's Office.

- Purchases involving special facilities or market conditions
 - Item is of special design, shape or manufacture that matches or fits with existing equipment, inventory, systems
 - Item will be sold before the City can conduct the bid process when over bid thresholds

- Purchases in an emergency (see TMC Chapter 2.57, "Emergency Management")

A resolution is the preferred method for declaring an emergency as a prerequisite to purchases during an emergency; examples may be found in the City's Digital Records Center or by contacting the City Clerk's Office.

- Inter-Governmental Cooperative Purchases
- Purchases of insurance or bonds
- Pollution control facilities and some neighborhood "self-help" projects may be exempt from bidding requirements
- Cities may hire the state or county to do road projects without going out for bids
- Real property. Acquisition of real property is exempt from the competitive bidding requirements of this policy. Upon approval of the City Council, the City Administrator may proceed to acquire real property through negotiation. Such negotiations shall be based upon an independent fee appraisal of the property.

14. DISPOSAL OF SURPLUS PROPERTY

A. Policy Statement

City assets in excess of \$~~1,500~~⁵⁰⁰ that are no longer useable, are no longer of value to the City, or are surplus to the City's needs may not be removed from City ownership, sold, or in any other way disposed without a declaration by resolution of the City Council. Similarly, items in excess of \$100 that are no longer useable, are no longer of value to the City, or are surplus to the City's needs may not be removed from City ownership, sold, or in any other way disposed without approval by the Mayor or City Administrator. All items of \$100 or less may be disposed in accordance with the direction of department directors.

B. Definitions

City Asset means any tangible item purchased with City funds valued in excess of \$100.

TIS Asset means computers and related equipment, fax machines, printers, scanners and copiers, cell phones, telephone equipment, pagers, software or systems, and anything the Tukwila Technology and Innovation Services Department is requested or required to install, connect, or service.

C. Procedures

1) **Disposal of City property valued less than \$499 shall follow this process:**

- When a City department determines an item of this value is surplus to its needs, the department shall notify the Mayor's Office and all other City departments of the item's availability, seeking first to reassign its use to another City department. TIS Assets shall be exempt from this notification requirement to City departments other than the Mayor's Office.
- If no other departments are interested in the item, it may be disposed in the method seen most prudent by the department director. The director should first notify the Mayor's Office and Finance Department of the intended method of disposal prior to finalizing the process for disposal.

2) **Disposal of City property valued at \$500 or more shall follow this process:**

- **Reassignment of Assets.** When a City department makes a determination that a City or TIS Asset with a value of \$500 or more is surplus to its needs, the department shall notify the Mayor's Office. The Mayor's Office shall assess whether the City Asset can be reassigned within another City department where it can be of use or value. TIS Assets shall be exempt from the requirement to be reassigned to other City departments.
- **Minimum Requirements.** If it is not possible to reassign the City Asset or the item is a TIS Asset, the Mayor's Office shall prepare the asset for a declaration of surplus by the City Council. Each asset requiring a declaration of surplus must have a value assigned and a recommended method of disposal.
- **Methods of Disposal.** The primary method of disposal to the general public is by sale. Recognized methods of sale include direct sale, sealed bid, trade-in or auction. Other methods of disposal to the general public must be clearly detailed in writing and must have the consent of the City Council.
- **Transfer to Another Public Agency.** The City Council may transfer a surplus asset to another public agency upon written request and a determination that it is in the public interest to do so. Such request shall specify the asset and the inability of the other public agency to otherwise afford to buy it. The City Council may elect to trade assets, authorize the Mayor to negotiate payment or transfer the asset without compensation.

A resolution is the preferred method for surplussing of City property; examples may be found in the City's Digital Records Center or by contacting the City Clerk's Office.

3) **Additional Requirements:**

- **Assets over \$50,000.** If the value of the asset is estimated to be more than \$50,000, and if the sale or conveyance is to another governmental entity, the provisions of RCW Section 39.33.020 shall apply. This includes several requirements, including a public hearing and certain notice provisions.
- **Utility Assets.** If the asset was originally purchased for utility purposes, the provisions of

RCW Section 35.94.040 shall apply. This includes several requirements, including a resolute and public hearing.

- **Trade-Ins:** Trade-in of old equipment to upgrade similar or reasonably related equipment is permitted when it is in the best interest of the City. The requesting Department Director shall be responsible for the sale, trade, or other disposition of surplus property and scrap belonging to the City of Tukwila when used for a trade-in. Trade-ins must be negotiated, documented at “Fair Market Value” by the Department Director, and declared surplus ahead of time by the City. Fair Market Value can be determined by finding comparable units that have been sold at online auctions.

- **Other:** If the asset proposed as surplus is evidence released by the Court, seized assets or unclaimed property, the Mayor’s Office shall review the appropriate statutes prior to asking the City Council to declare it surplus.

4) ***Final Determination of Value***

When disposal is made to the general public through direct sale, sealed bid or auction, final determination of value shall be the highest responsible bid or offer.

5) ***Prohibited Benefit***

It is recognized that City Council members and Mayor are prohibited by state law from benefiting from the disposal of public assets of the City. Great care should be taken to assure that a perception of benefit to employees and others doing business with the City does not occur.

6) ***Delegation of Authority***

The City Council may elect to delegate the task of declaring items surplus to the Mayor by amending or adding to this policy and identifying the conditions thereof within this policy. If such a delegation is made, the prohibition of benefiting from the disposal of public assets is extended to the Mayor and his/her immediate staff.

15. ADDITIONAL CONSIDERATIONS

A. Certificates of Insurance

The contractor or consultant may be required to provide the City with a Certificate of Insurance, naming the City as a primary and noncontributory additional insured with an additional attached endorsement. Insurance requirements are determined by WCIA (Washington Cities Insurance Authority) and the City Attorney.

B. State Contractor’s License

It is unlawful for the City to hire anyone to perform public work on our property that does not have a valid State of Washington Contractor’s License. If someone is not properly licensed, DO NOT HIRE THEM. You may look up a contractor to determine if they have a valid Contractor’s License at via the Washington State Department of Labor and Industry’s website: <https://lni.wa.gov/licensing-permits/contractors/hiring-a-contractor/verify-contractor-tradesperson-business>

C. City Business License

A City of Tukwila business license may be required for any person or business working inside the city limits. See TMC Title 5, “Business Licenses and Regulations” for specifics.

16. REFERENCES

Revised Code of Washington (RCW) 39.80 (Contracts for Architectural and Engineering Services)
RCW 39.04 (Public Works)
RCW 39.34 (Interlocal Cooperation Act)
RCW 35A.40 (Fiscal Provisions applicable to Code Cities), 35.23 (Second Class Cities)
Municipal Research Services Center (MRSC) publication: “City Bidding Book—Washington State”
Federal Office of Management and Budget (OMB) Uniform Guidance CFRs: Title 2 CFR 200. et al
City of Tukwila Grants Policy (TBD)
Procurement Card (Pcard) User Manual
City of Tukwila Administrative Policy - Equity Policy
City of Tukwila Administrative Policy 400-05 – Processing of Contracts/Agreements
City of Tukwila Capital Improvement Program Policies and Procedures

17. GLOSSARY

Amendment – Written modification or addition to a purchase order or contract authorized by the appropriate authority.

Bid – The executed document submitted by a bidder in response to a notice inviting bids, a proposal, or a request for qualifications.

Bid Bond – A bond or deposit submitted with a bid, for a sum not less than 5% of the bid amount (including sales tax). Designed to help ensure that a bid has been made in good faith and that the bidder will enter into a contract if a bid is accepted.

Bidder – A person or legal entity who submits a bid in response to a solicitation.

Competitive Bidding – The submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.

Contract – A verbal or written, legally binding mutual promise between at least two parties.

Designee – A duly authorized and appointed representative of an employee that holds a superior position to the person appointed to represent him or her.

Emergency – Unforeseen circumstances beyond the City’s control that present a real, immediate threat to the proper performance of essential functions, or that will likely result in material loss to property, bodily injury, or loss of life if immediate action is not taken.

“Equitably distribute” – Means 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.

Lowest (Responsive and) Responsible Bidder – The bidder submitting the lowest price that is also capable of performing the proposed contract. See also “responsive bidder” and “responsible bidder.”

Non-Professional Services or Purchased Services – Services provided by vendors for routine, necessary and continuing functions of a local agency, relative to a physical activity. Examples include, but are not limited to:

- Courier services
- Janitorial services

- Disposal services
- Vehicle inspection, repair or up-fitting
- Office furnishing installation
- HVAC system maintenance

Ordinary Maintenance – Work not performed by contract and that is performed on a regular basis (daily, weekly, monthly – but not less than once per year) to service, check or replace items that are not broken. Also defined as work not performed by contract that is not regularly scheduled, but is required to maintain an asset so that repair does not become necessary.

Prevailing Wages – The hourly wages, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Washington State Department of Labor and Industries for each trade and occupation employed in the performance of public work. They are established separately for each county, and are reflective of local wage conditions.

Professional Services – Services which provide professional or technical expertise to accomplish a specific study, project, task, or other work statement. Examples include, but are not limited to:

- Architectural, engineering or design services
- Accounting and auditing
- Bond or insurance brokerage
- Consulting services
- Legal services
- Real estate appraisals or title abstracts
- Relocation assistance
- Surveying
- Soils analysis or core testing
- Water quality monitoring

Public Work – 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.

Quotation – A statement of price, terms of sale, and description of goods or services offered by a prospective seller to a prospective purchaser, usually for purchases below the amount requiring formal bidding. For professional service contracts, quotes would typically include the qualifications of the provider and may or may not include pricing information depending on the situation.

Request for Proposal (RFP) – All documents, whether attached or incorporated by reference, utilized for soliciting competitive proposals. The RFP procedure permits negotiation of proposals and prices, as distinguished from competitive bidding and a notice inviting bids. The procedure allows changes to be made after proposals are opened and contemplates that the nature of the proposals and/or prices offered will be negotiated prior to award.

Request for Qualification (RFQ) – A document generally used for obtaining a summary of qualification from prospective providers of professional services.

Responsible Bidder – A person or legal entity who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

Responsive Bidder – A person or legal entity who has submitted a bid conforming in all material respects to the terms and conditions, specifications and other requirements in a request for bids.

Sealed Bid – A bid which has been submitted in a sealed envelope to prevent its contents from being revealed before the deadline for the submission of all bids.

Sole Source – An award for a purchase to the only reasonably known capable vendor due to the unique nature of the requirement, the vendor, or market conditions.

Specifications – A description of what the purchaser seeks to buy or accomplish – and consequently what a bidder must be responsive to in order to be considered for award of a contract. May be a description of the physical or functional characteristics, or the nature of a supply or service. May also include a description of any requirements for inspecting, testing, or preparing a supply or service item for delivery.

Surplus property – Any tangible, personal property owned by the City that is no longer needed or usable, presently or in the foreseeable future.