

**CITY OF MARYSVILLE AGENDA BILL**

**EXECUTIVE SUMMARY FOR ACTION**

**CITY COUNCIL MEETING DATE: 5/8/2017**

<b>AGENDA ITEM:</b>	
A Resolution of the City of Marysville Amending Bid and Purchasing Policy and Repealing Resolution No. 2327	
<b>PREPARED BY:</b>	<b>DIRECTOR APPROVAL:</b>
Sandy Langdon, Finance Director and Rochelle Barker, CA Admin. Asst.	
<b>DEPARTMENT:</b>	
Finance and Legal	
<b>ATTACHMENTS:</b>	
Draft Amending Resolution Resolution No 2327	
<b>BUDGET CODE:</b>	<b>AMOUNT:</b>
<b>SUMMARY:</b>	

Review of the City’s current purchasing policy has suggested changes to assist with compliance, efficiency and effectiveness. The statutory purchasing requirements can be confusing, which at times, has led to project delays. The recommended amendments provide clarity and address additional items such as types of purchases, grants, and policy administrator.

In regards to grants, the amendments identify the appropriate procurement path to follow to be compliant. The amendments also identify the policy administration as the Finance Director and the procedures manual.

<p><b>RECOMMENDED ACTION:</b> Staff recommends Council approve the Resolution of the City of Marysville Amending Bid and Purchasing Policy and Repealing Resolution No. 2327.</p>
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CITY OF MARYSVILLE  
Marysville, Washington

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY OF MARYSVILLE DELEGATING  
CONTRACTING AUTHORITY, ESTABLISHING MINIMUM  
PROCUREMENT PROCEDURES, AND REPEALING  
RESOLUTION NO. 2327

WHEREAS, Washington State law requires the City to follow certain procedures in bidding and awarding public work projects, requires the City to follow certain procedures in procuring specified services, and otherwise allows the City Council to establish the manner in which the City procures public works, goods, and services; and

WHEREAS, the City desires to establish provisions for interlocal cooperative purchasing agreements as allowed under RCW 39.34; and

WHEREAS, the City Council desires to delegate its contracting authority, in accordance with this Resolution, to allow the City to serve the public good by procuring public works, goods, and services in an efficient and effective manner that complies with State law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MARYSVILLE, WASHINGTON, AS FOLLOWS:

**Section 1. Delegation of Contracting Authority and Reservation of Council Approval.**

The City Council must approve the following agreements prior to the Mayor executing them:

- a. All agreements with a total cost of \$75,000 or greater.
- b. All interlocal agreements.
- c. All change orders, amendments, or supplemental agreements modifying an existing agreement that had an original total cost of \$75,000 or greater.
- d. All change orders, amendments, or supplemental agreements modifying an existing agreement that had an original total cost of less than \$75,000 but where the cumulative total of the original agreement and all change orders, amendments, and supplemental agreements will exceed \$75,000.

The Mayor may otherwise execute agreements, as necessary, without Council approval, provided that the agreement is solicited and awarded in accordance with the minimum procedures contained in this Resolution and such further procedures as the Mayor, Chief Administrative Officer, or Finance Director may adopt that are not inconsistent with this Resolution.

**Section 2. Minimum Procurement Requirements.**

City staff shall follow, at a minimum, the procedures listed below, and such further procedures as the Mayor, Chief Administrative Officer, or Finance Director may adopt that are not inconsistent with this Resolution. Procedures are not inconsistent if they require, for a particular procurement, more process or more competition than specified in this Resolution.

- a. Purchase of Goods, Materials, and Supplies (unrelated to a public work). The procurement of goods, materials, and supplies must comply with the table below:

Limit*	Minimum Requirement
\$0 – \$2,499	Single Quote – Department Heads may use a local purchase order or purchasing card.
\$2,500 – \$34,999	Minimal Competition – City staff must obtain three verbal quotes from at least three suppliers.
\$35,000 – \$149,999	Informal Competition – City staff must obtain written quotations from at least three suppliers.
\$150,000 and Above	Formal Competition – City staff must utilize competitive bidding.

\*Including applicable taxes and freight

b. Services.

- i. *Architectural and Engineering Professional Services*. City staff must comply with chapter 39.80 RCW for procuring professional services within the architectural, engineering, land surveying, or landscape architecture professions.
- ii. *Other Services*. City staff must utilize the level of competition that is practical under the circumstance and follow any guidance from the Legal Department. Where price alone is not the determining factor, staff may utilize requests for proposals.

- c. Public Work. Procurements involving a public work of the City must comply with the minimum competition listed in the table below (staff may always utilize any greater competition listed for higher dollar thresholds):

Single Craft/Trade		Multi Craft/Trade	
Limit	Minimum Competition	Limit	Minimum Competition
\$0 – \$2,499	Single Quote	\$0 – \$2,499	Single Quote
\$2,500 – \$40,000	Minimal Competition (three verbal quotes)	\$2,500 – \$64,999	Minimal Competition (three verbal quotes)
\$40,000 – \$299,999	Small Works Roster (at least five contractors)	\$65,000 – \$299,999	Small Works Roster (at least five contractors)
\$300,000 and Above	Competitive Bidding	\$300,000 and Above	Competitive Bidding

**Section 3. Cooperative Purchasing.**

The City must enter into an interlocal cooperative purchasing agreement, in accordance with the provisions set forth in RCW 39.34 as currently written or hereafter amended, prior to executing an agreement for a cooperative purchase.

When purchases are made from a contract awarded by another public agency and where an interlocal cooperative purchasing agreement is in place, any statutory obligation to provide notice for bids or proposals that applies to the City is satisfied if the public agency or group of public agencies that awarded the bid, proposal, or contract complied with its own statutory requirements and either (1) posted the bid or solicitation notice on a website established and maintained by a public agency, purchasing cooperative or similar service provider, for purposes of posting public notice of bid or proposal solicitations, or (2) provided an access link on the state’s web portal to the notice.

The City may include, in any invitation to bid, request for proposals, or other solicitation notice that the City participates in cooperative purchasing and that other public agencies may desire to place orders in accordance with the awarded contract. Bidders/proposers may be asked to indicate if they agree to allow orders from other public agencies that have an interlocal cooperative purchasing agreement with the City.

**Section 4. Grant Funds.**

In order to insure that procurements with grant funds are handled appropriately, that the process is transparent, and that all areas of procurement accountability are address, procurements with grant funds must follow the more restrictive of: (1) this Resolution, (2) any procedures adopted by the Mayor, Chief Administrative Officer, or Finance Director, or (3) the requirements applicable to the grant funds.

**Section 5. Federal Grant Funds.**

a. Procurement Policy.

In order to insure that procurements with Federal grant funds are handled appropriately, that the process is transparent, and that all areas of procurement accountability are address, procurements with Federal grant funds must follow the more restrictive of: (1) this Resolution, (2) any procedures adopted by the Mayor, Chief Administrative Officer, or Finance Director, or (3) the requirements of the Federal grant or Federal law and regulations.

b. Code of Ethics.

City staff involved in the procurement of goods and services with Federal grant funds shall have a full understanding of the Federal awarding agency’s conflict of interest policies applicable to the award.

City staff involved in the procurement of goods and services with Federal grant funds must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

City staff involved in the procurement of goods and services with Federal grant funds must comply with State law and the City’s Code of Ethics, codified in chapter 2.80 of the Marysville Municipal Code.

**Section 6. Exceptions and Waiver of Competitive Procurement.**

Notwithstanding the procedures identified in this Resolution, nothing shall prohibit City staff and the Mayor from soliciting or entering into an agreement as otherwise authorized by State law. To the extent authorized by State law, the City Council waives competitive procurement requirements in the following situations and any other situations authorized by state law:

- (1) Purchases that are clearly and legitimately limited to a single source of supply;
- (2) Purchases involving special facilities or market conditions;
- (3) Purchases in the event of an emergency;
- (4) Purchases of insurance or bonds;
- (5) Public works in the event of an emergency; and
- (6) Purchases supplies, materials, or equipment through an auction conducted by the United States or an agency thereof, an agency of the state of Washington, a municipality, or other government agency, or a private party if the items can be obtained at a competitive price.

**Section 7. Administration.** Administration of this Resolution is the responsibility of the Finance Director.

**Section 8. Repealer.** Resolution No. 2327 is hereby repealed for the reason that it is replaced by this Resolution.

PASSED by the City Council and APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

CITY OF MARYSVILLE

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Jon Nehring, Mayor

ATTEST:

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April O'Brien, Deputy City Clerk

APPROVED AS TO FORM:

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Jon Walker, City Attorney