

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: May 6, 2019

AGENDA ITEM:	
Resolution Amending Procurement Procedures	
PREPARED BY:	DIRECTOR APPROVAL:
Jan Berg	
DEPARTMENT:	
Finance	
ATTACHMENTS:	
Amendment to Resolution #2477	
BUDGET CODE:	AMOUNT:
N/A	N/A
SUMMARY:	

The City Council adopted Resolution No. 2477 on June 25, 2018 which updated the procurement procedures used by the city.

This resolution would replace No. 2447 the following changes:

Section 1.C. – clarifies that change orders which do not exceed the approved management reserve are not required to go back for City Council approval.

Section 2.d – adds language in the procedures when the lowest bid is not responsive or lowest bidder is not responsible.

Section 6 – adds clarifying language regarding exemptions and waivers to competitive procurement and including suggested language from the State Auditor’s Office regarding purchases through the US Government and Department of Enterprise Services.

RECOMMENDED ACTION: Staff recommends that Council consider approving the change in the procurement policy.

RECOMMENDED MOTION: I move to adopt Resolution No. ____

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. 2447.

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. ~~Any All change orders exceeding an approved management reserve,~~ amendments, or supplemental agreements modifying an existing agreement that had an original total cost of \$75,000 or greater, except no-cost time extensions that do not exceed six months and change orders that do not exceed the approved management reserve.
- d. ~~Any All change orders exceeding an approved management reserve,~~ 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	
Limit	Minimum Competition
\$0 - \$7,499	Single Quote
\$7,500 - \$40,000	Minimal Competition (three verbal quotes)
\$40,000 - \$299,999	Small Works Roster (at least five contractors)
\$300,000 and Above	Competitive Bidding

Multi Craft/Trade	
Limit	Minimum Competition
\$0 - \$7,499	Single Quote
\$7,500 - \$64,999	Minimal Competition (three verbal quotes)
\$65,000 - \$299,999	Small Works Roster (at least five contractors)
\$300,000 and Above	Competitive Bidding

<u>Single Craft/Trade</u>		<u>Multi Craft/Trade</u>	
<u>\$0 – \$7,499</u>	<u>Single Quote</u>	<u>\$0 – \$7,499</u>	<u>Single Quote</u>
<u>\$7,500 – \$39,999</u>	<u>Minimal Competition (three verbal quotes)</u>	<u>\$7,500 – \$64,999</u>	<u>Minimal Competition (three verbal quotes)</u>
<u>\$40,000 – \$299,999</u>	<u>Small Works Roster (at least five contractors)</u>	<u>\$65,000 – \$299,999</u>	<u>Small Works Roster (at least five contractors)</u>
<u>\$300,000 and Above</u>	<u>Competitive Bidding</u>	<u>\$300,000 and Above</u>	<u>Competitive Bidding</u>

d. If city staff believe the lowest bid is not responsive or the lowest bidder is not responsible, staff will consult with the Finance Director prior to award of the contract.

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 solicitation, 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 are authorized to solicit or enter ~~form soliciting or entering~~ into an agreement as otherwise authorized by State law unless prohibited by the municipal code or this Resolution. 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;
- (6) Purchases of 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; and
- (7) Purchases of supplies, materials, electronic data processing and telecommunication equipment, software, services, and/or equipment from or through the United States government.
- (8) When using the Department of Enterprise Services' (DES) Master Contracts Usage Agreement (MCUA, the city will not be required to retain bid documentation.

If the agreement will have a total cost of less than \$75,000, the Mayor will determine if competitive procurement should be waived for one of the reasons in this section.

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

Section 8. Repealer. Resolution No. 2447 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 _____, 20198.

CITY OF MARYSVILLE

Jon Nehring, Mayor

ATTEST:

Tina Brock, Deputy City Clerk

APPROVED AS TO FORM:

Jon Walker, City Attorney

RCW 39.32.090

Purchases by political subdivisions from or through United States authorized.

~~Whenever authorized by ordinance or resolution of its legislative authority any political subdivision of the state shall have power to purchase supplies, materials, electronic data processing and telecommunication equipment, software, services, and/or equipment from or through the United States government without calling for bids, notwithstanding any law or charter provision to the contrary.~~

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CITY OF MARYSVILLE

Jon Nehring, Mayor

ATTEST:

Tina Brock, Deputy City Clerk

APPROVED AS TO FORM:

Jon Walker, City Attorney