



Finance Policies

DRAFT

SUBJECT: PURCHASING POLICY	MANAGEMENT REVIEW DATE: .	EFFECTIVE DATE: .
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I. PURPOSE:

The City of Sequim is a non-charter code city; as such “the legislative body of a code city may exercise any of its powers or perform any of its functions including purchasing and participate in the financing thereof, jointly or in cooperation, as provided for in RCW 39.34.” This document establishes the policies for selection and bidding requirements for services and public works projects; acquisition of supplies, materials, and equipment not associated with a public work; and approval of contracts.

II. POLICY:

It is the policy of the City of Sequim to utilize competitive bidding, purchasing, quoting, Requests for Proposals (RFPs), and Requests for Qualifications (RFQ’s) as required by State law, for the purpose of ensuring that all public contracts for services, equipment, materials, supplies and public works are satisfactorily and efficiently executed at the least cost to the public, while avoiding fraud and favoritism in the awarding of such contracts.

The three touch rule for Council to review and approve a matter presented to Council extends the time required for a purchasing decision. While the three touch rule is valuable, at times it may be counterproductive for purchasing matters, due to the additional time in the decision process. Additional time could result in less negotiation ability, missed opportunity to purchase a particular item or delays in obtaining necessary equipment and services which could result in a higher overall cost in time and dollars. The three touch rule may need to be waived for purchasing decisions.

Nothing in this policy is intended to benefit any 3rd party, including vendors, or give any cause of action against the City. These rules are not to be construed to invalidate any action of the City or Council which is otherwise in compliance with applicable law.

III. APPROVAL AUTHORITY

1. Contracts and purchases less than or equal to \$15,000 may be awarded by the City Manager or his designee as authorized in writing.
2. Contracts and purchases that exceed \$15,000 and are identified in a separate schedule as part of the approved budget do not need additional approval by Council. However, if an item will impact the level of City debt capacity (lease, lease/purchase, loan) per RCW 39.36 Limitation of Indebtedness of Taxing Districts or Public Loans RCW39.69, then the purchase must be approved by Council.
3. The City Manager is authorized to approve invoices that exceed \$15,000 for required intergovernmental expenditures such as excise and payroll taxes or required



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contractual expenditures such as bond/loan payments, healthy and liability insurance payments, union payments, jail costs, etc. that are included in the approved budget.

4. Once a contract has been awarded by Council, the City Manager is authorized to approve invoices that exceed \$15,000 as long as the total cost of the project does not exceed the approved contract amount or authorized limits for change orders.

IV. CHANGE ORDERS

<<< *This will be brought to Council for discussion.* >>>

V. ACCOUNTING POLICY DEFINITIONS

1. Capital Asset. Any equipment of the City having an initial value of seven thousand five hundred dollars (\$7,500) or more and an estimated useful life of three (3) or more years. Capital equipment purchases will be recorded to a capital expense account.
2. Purchase Amount. The amount of the invoice, whether a single unit purchase or a collection of items, including taxes, freight, and any setup, installation or other charges will be considered the total cost for authorization purposes. The total cost will also be used to determine whether the purchase is a capital asset, instead of small tools and equipment.

VI. REFERENCES:

- **RCW Title 35 CITIES AND TOWNS**
 - RCW 35.23 SECOND-CLASS CITIES
 - 35.23.352 Public works—Contracts—Bids—Small works roster—Purchasing requirements
 - 35.21.156 Solid waste--Contracts with vendors for solid waste handling systems, plants, sites, or facilities (RFQ/RFP process)
- **RCW Title 39 PUBLIC CONTRACTS AND INDEBTEDNESS**
 - RCW 39.04 PUBLIC WORKS
 - 39.04.020 Plans and specifications—Estimates—Publications—Emergencies
 - 39.04.150
 - 39.04.155 Small works roster contract procedures—Limited public works process—Definitions
 - 39.04.190 Purchasing contract process—other than formal sealed bidding (Vendor Lists)
 - 39.04.270 Electronic data processing and telecommunications systems (RFP alternative)
 - 39.04.280 Competitive bidding requirements—Exemptions

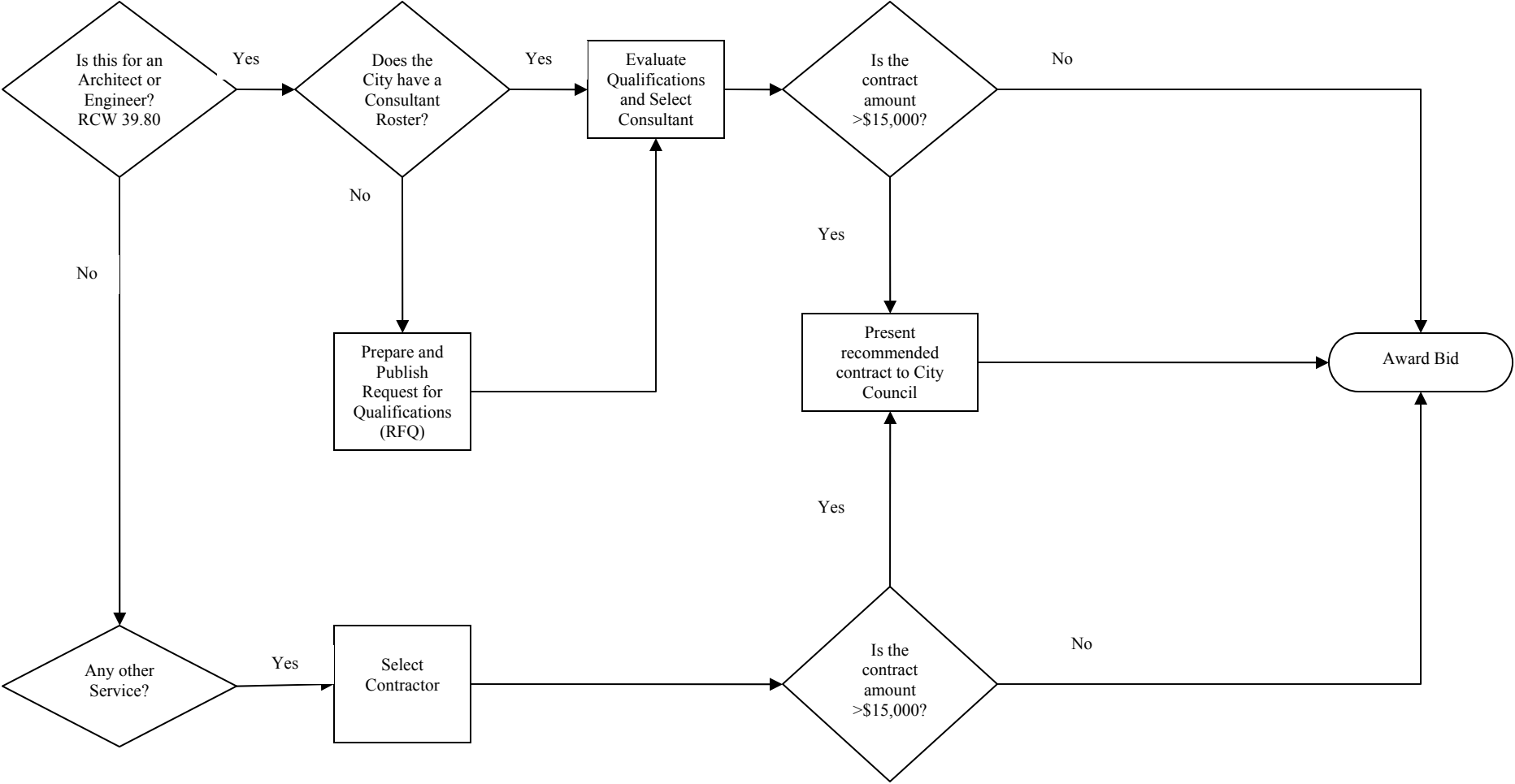


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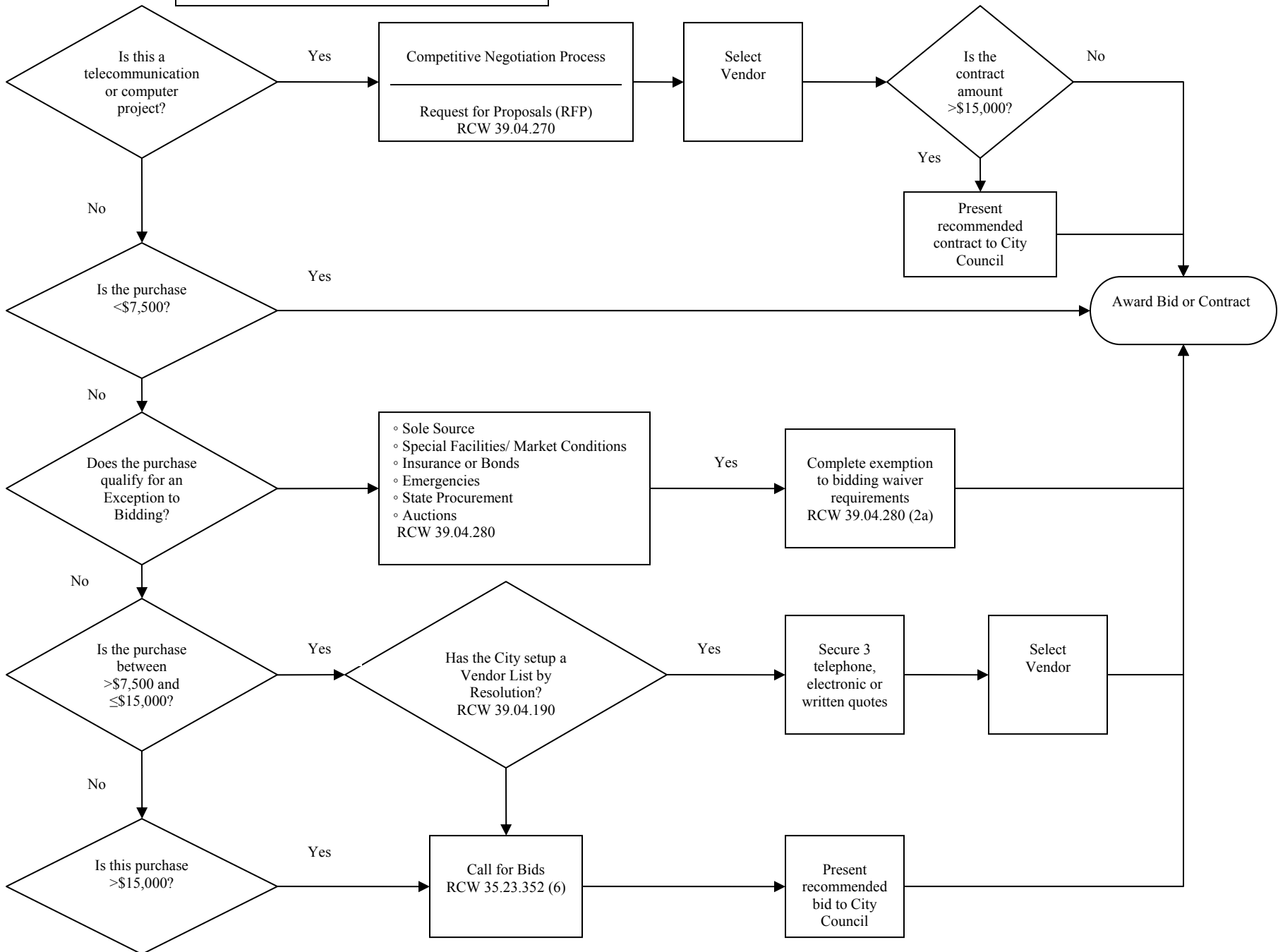
- RCW 39.10 ALTERNATIVE PUBLIC WORKS CONTRACTING PROCEDURES
- RCW 39.30 CONTRACTS--INDEBTEDNESS LIMITATIONS--COMPETITIVE BIDDING VIOLATIONS
 - 39.30.010 Executory conditional sales contracts for purchase of property
 - 39.30.020 Contracts requiring competitive bidding
 - 39.30.040 Purchases--Competitive bidding--Local governments may consider tax revenues
 - 39.30.045 Purchase at auctions
 - 39.30.060 Bids on public works--Identification, substitution of subcontractors
- RCW 39.34 INTERLOCAL COOPERATION ACT (purchase under another agency's contract)
- RCW 39.80 CONTRACTS FOR ARCHITECTURAL AND ENGINEERING SERVICES
- **RCW Title 43 STATE GOVERNMENT--EXECUTIVE**
 - RCW 43.19 DEPARTMENT OF GENERAL ADMINISTRATION
 - 43.19.1905 Statewide policy for purchasing and material control (State contracts)
 - 43.19.1911 Competitive bids--Lowest responsible bidder
- **Chapter 273, Laws of 1994**
 - Bidding is not required for Services as of 1994

Purchasing

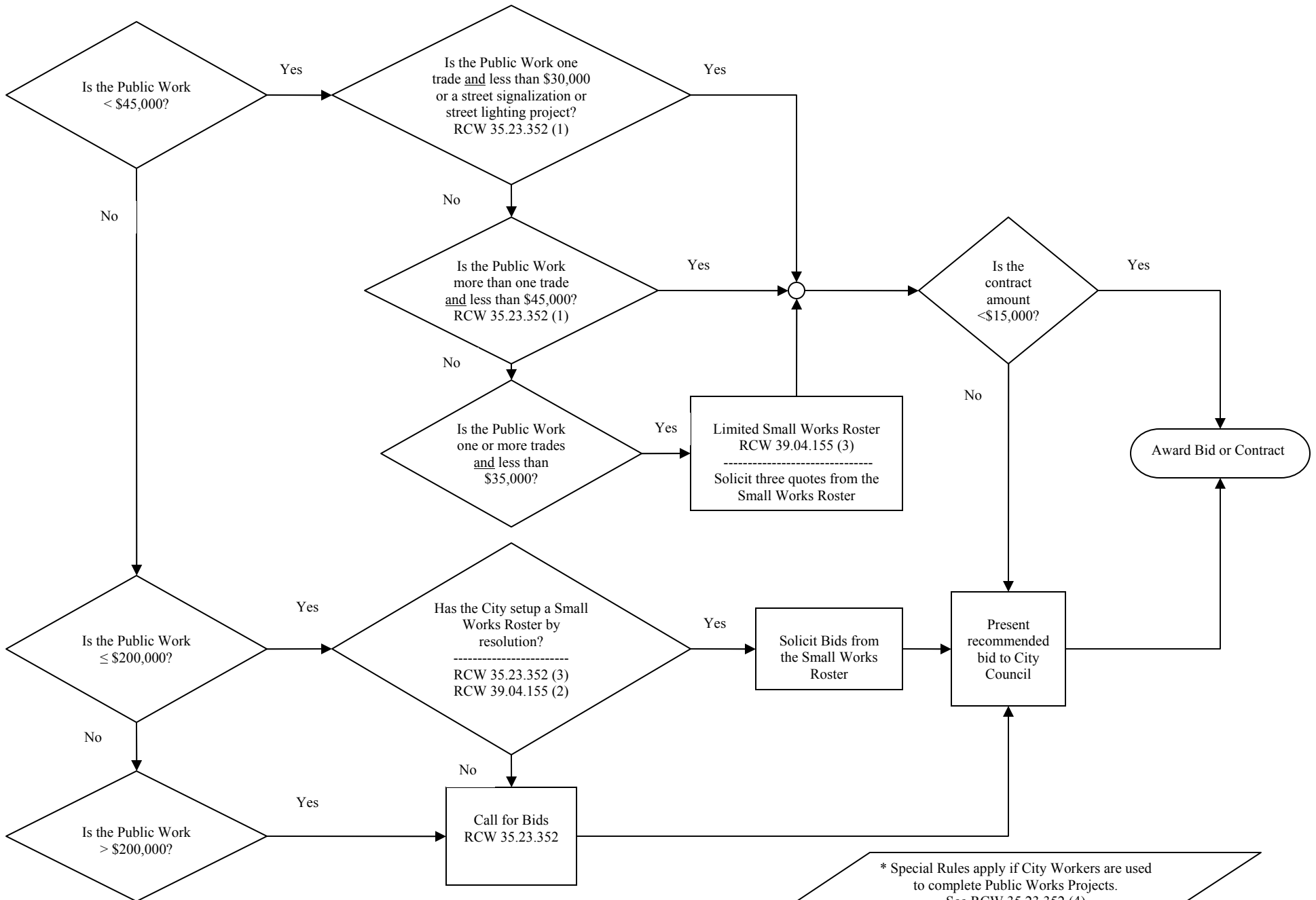
(1) Service



(2) Materials, Supplies or Equipment



(3) Public Works *



* Special Rules apply if City Workers are used to complete Public Works Projects. See RCW 35.23.352 (4)