

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0040-07-03 LGL 2004-20
TITLE: PURCHASES OF GOODS AND SERVICES UNDER THE PUBLIC BID DOLLAR THRESHOLDS EFFECTIVE DATE: January 1, 2005 REVISION EFFECTIVE DATE: January 1, 2008	

1.0 GENERAL

1.1 This document sets forth the City's policy and procedure for obtaining quotes for purchases of goods, personal services, architectural and engineering services, public works and service/repairs under the public bid dollar thresholds.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all City departments and divisions except the Library and Parks and Recreation departments.

3.0 REFERENCES

Resolution 04-131

4.0 DEFINITIONS

Not Applicable

5.0 POLICY

5.1 It is the policy of the City of Spokane to provide for the fair and equitable treatment of persons who deal with the City procurement system; to maximize economy in procurement activities; and to foster effective broad-based competition in the purchase of goods, the acquisition of services and the performance of public works.

6.0 PROCEDURE

See Appendices

7.0 RESPONSIBILITIES

7.1 The Accounting Department is responsible for administering this policy.

8.0 APPENDICES

City of Spokane Purchasing Procedures

APPROVED BY:



City Attorney (AST)



Director - Accounting



City Administrator

11-28-07

Date

**CITY
OF
SPOKANE**

**PURCHASING
PROCEDURES**

Effective January 1, 2008

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1.0 GENERAL.

1.1 PURPOSE.

This document establishes procedures for use by City staff in the purchase of goods, acquisition of services and performance of public works, the cost of which is under the public bid limits.

This document does not create any enforceable rights or causes of actions in third parties.

1.2 GOALS.

The City's contracting and purchasing goals include:

- Maximizing the quality and integrity of the City's purchasing system;
- Maximizing the purchasing value of City funds;
- Providing a uniform City-wide purchasing system to the extent practical and feasible; and,
- Assuring fair and equitable treatment of individuals/firms who deal with the City's purchasing system.

1.3 SCOPE

These procedures apply to the lease and purchase of goods; the acquisition of personal services, including architectural and engineering design services, and public works projects. The procedures do not apply to the sale or lease of real property.

1.4 CONTROLLING LAWS

All procurements shall comply with appropriate federal, state, and local laws and regulations. To the extent that any federal or state laws, regulations, grants, or funding requirements vary from these procedures, they should be followed. Contact the City Attorney's Office regarding questions of potential conflicts.

1.5 PROPER AUTHORIZATION

Only authorized individuals, pre-approved in writing by the department head may obligate the City to acquire goods and services. Individuals making procurements on behalf of the City without proper authorization shall be personally liable to the vendor and the City, and shall be subject to disciplinary action up to and including discharge.

Authorized individuals will be required to pass a complete background check, to include criminal history and credit check, if requested by the City. Employees will be required to sign an authorization agreement prior to being allowed to make procurements.

There are several categories of procurements that need special authorizations:

- electronic data processing hardware, software and systems – approval by Management Information Services (except Police and Fire)
- telecommunication systems – approval by Management Information Services or Fleet Services Radio Shop, as appropriate
- vehicles – approval by Fleet Services (except Parks and Fire)
- furniture – approval by Purchasing

2.0 ETHICAL CONDUCT

Employees making procurements for the City shall conduct themselves in an ethical manner as follows:

- They will regard public service as a sacred trust and give primary consideration to the interests of the public agency that employs them.
- They will behave with impartiality, fairness, openness, integrity, and professionalism in their dealings with suppliers.
- They will excuse themselves from participation in any situation where a conflict of interest may be involved.
- They will at no time or under any circumstances accept, directly or indirectly, gifts, gratuities, or other things of value from suppliers which might influence or appear to influence purchasing decisions.
- They will not seek or dispense personal favors that are in conflict with their professional responsibility.
- They will strive to obtain the maximum ultimate value of each dollar of expenditure.
- They will demand honesty in sales representation whether through verbal or written statement, advertisement, or sample of product.
- They will make every reasonable effort to negotiate a fair and mutually agreeable settlement of any conflicts with suppliers.
- They will follow the policies and procedures of the City of Spokane, using reasonable care and granted authority.

3.0 PURCHASING GUIDANCE

3.1 ANTICIPATED COST

The anticipated annual need (any twelve month period) for a particular good, service or public work should be used to determine the appropriate quote process or whether or

not the procurement should be publicly bid. Closely related goods will be considered as one purchase on an annual basis when determining which process applies.

3.2 TOTAL COST AND QUANTITY

The total cost and quantity of goods, services or public works, including any applicable taxes, freight, or set-up charges, shall be considered when determining the appropriate purchasing process or public bid requirements.

Example:

If one pump is to be purchased now at an estimated cost including sales tax and delivery of \$8,959, but a total of three pumps are expected to be purchased during the year at an aggregate cost of \$26,877 (\$8,959.00 times three), then the procurement of the first pump falls within the "\$20,000 - Bid Limits" category.

3.3 MULTI-PHASE PROGRAMS

If the total overall objective of any specific program over a 12 month period of time is to be completed in phases, the total accumulated cost for all phases will be considered when determining the appropriate purchasing process.

Example:

A golf course is fertilized three times a year, and the material cost for each fertilizing is \$9,000 (including tax and freight). The three-phase program then has a total material cost of \$27,000, and should be handled as a purchase within the "\$20,000 - Bid Limits" category. Delivery times may be established for each phase.

3.4 MULTI-DEPARTMENT REQUIREMENTS

To the extent practical, the requirements of separate departments and divisions for the same goods or services will be considered together when determining the appropriate purchasing process.

Example:

All City departments require miscellaneous paper products such as toilet paper, hand towels, garbage can liners, etc. Each department should provide an estimate of its needs to the Purchasing Division so it can aggregate the requirements to obtain the best price/delivery from vendors.

3.5 TRADE-INS

The value of a trade-in will not be included when determining the appropriate quote process. However, the trade-in price may be considered when determining the most favorable quote after quotes have been solicited.

4.0 PROCUREMENT GUIDELINES

4.1 AWARD OF PURCHASE ORDER / CONTRACT

When purchases and contracts are obtained by competitive quotes, the purchases and contracts shall be awarded to the firm / individual submitting the most favorable quote that meets the requirements and criteria set forth in the request for quotes. The most favorable quote is normally the lowest responsive quote by a responsible firm.

Submitted quotes must substantially comply with the City's procedures or quote specifications to be considered as "responsive". Whether or not a quote is responsive is to be decided on a case-by-case basis given the individual facts of each quote. The test of whether a quote has a material irregularity is whether or not it gives a vendor a substantial advantage or benefit not enjoyed by other vendors submitting quotes. There is much more flexibility in dealing with the issue of responsiveness with quotes than with formal sealed bids. Questions should be directed to the City Attorney's Office.

When determining whether a quote is most favorable and a firm / individual is "responsible", the following factors are to be considered:

- price, including the cost of the good over its expected life if so indicated in the request for quotes
- conformity of the goods, public work and/or services quoted with the request for quotes
- ability, capacity and skill of the firm / individual to provide the good or perform the contract
- character, integrity, reputation, judgment, experience, and efficiency of the firm / individual
- whether the firm / individual can perform the contract within the time specified
- quality of performance on previous contracts
- previous and existing compliance by the firm / individual with laws relating to the contract
- servicing resources, capability and capacity
- lack of uniformity or interchangeability, if such factors are important
- energy efficiency of the good over its expected life
- any other information that may have a bearing of the decision to award the contract

In addition, for public works contracts, the firm / individual must be registered as a licensed contractor with the State of Washington.

4.2 CANCELLATION

The City may cancel a Request for Quotes / Proposals, or reject any and all quotes / proposals in whole or in part, at its sole discretion and option before the actual order is made or contract signed.

4.3 QUOTE SPECIFICATIONS

The specifications in the Request for Quotes should clearly and accurately describe the technical requirements for the good or service to be purchased. The specifications should not contain features that unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used. It is the responsibility of the vendor to demonstrate to the City's satisfaction that its product is "equal" to that specified. Requests for approval of substitutions must be made with sufficient time to allow the City to adequately review the substitution request, including time for vendors to respond to questions and requests for additional information or clarification. The City has no obligation to accept proposed substitutions or hire outside experts to evaluate proposed substitutions. Acceptance of a substitute product proposed as an "equal" to that specified will be made in writing and, if made prior to award, other firms / individuals will be notified if practical and convenient.

4.4 PUBLIC WORKS QUOTES

Employees should use the standardized public works Request for Quotes form when soliciting quotes for public works (e.g., building construction or repair). Public works contractors are required to pay prevailing wages to their employees. It is important to make sure the correct wage rates are included in the request for quotes as the rates change on a periodic basis. Public works contracts also have special performance bonding and payment retainage requirements. Questions regarding how to use the standardized public works Request for Quotes form should be directed to the City Attorney's Office.

4.5 PURCHASING CREDIT CARDS

Most departments have a purchasing credit card that can be used to acquire small, low-cost items for which a purchase order is either impractical or not available. Only specific employees in each department are authorized to use the cards. Use of purchasing credit cards shall be in accordance with City Policy ADMIN 0040-05-02.

4.6 PETTY CASH

The purchase of small incidental items may be made using petty cash in accordance with the City's Cash Management Policy & Procedures Manual

5.0 EMERGENCIES

"Emergency" means unforeseen circumstances beyond the control of the City that either: (a) present a real immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. Competitive quotes / proposals are usually not required when an emergency exists. However, in making emergency purchases, an effort shall be made to include as much competition that is practical under the circumstances

The department shall document the facts that constitute the emergency and specify the necessary procurement and its costs. The documentation shall be kept on file in the department.

If the cost of the emergency procurement is greater than the appropriate procurement threshold for department action, contact immediately the Purchasing Division or City Attorney's Office as appropriate.

6.0 SOLE SOURCE OR PROPRIETARY PROCUREMENTS

"Sole sources" are purchases, public works and services that are clearly and legitimately limited to a single source of supply; or involve special facilities or market conditions.

Occasions may arise when competition among potential vendors is not possible for a particular procurement. The department shall document the facts that constitute the sole source, specify the necessary procurement and its costs on the special form provided by the Purchasing Division. The documentation shall be kept on file in the department.

If the cost of the sole source procurement is greater than the appropriate procurement threshold for department action, contact immediately the Purchasing Division or City Attorney's Office as appropriate.

7.0 PURCHASES OF GOODS

7.1 GENERAL

"Purchasing" means the purchasing, lease-purchasing, leasing, or other acquisition or disposition of any goods. "Goods" means all things which are movable at the time of being identified in the purchase order / contract.

Examples of purchased goods include leases of equipment and the buying of vehicles.

The public bid limit for purchases is adjusted each January based on the average of the previous July national CPI-W and CPI-U Consumer Price Indices. The public bid limit for purchases in the year 2008 is \$42,100 within a 12-month period. Purchases above this amount are to be procured through a formal written public bid process through the Purchasing Division. Purchases below this amount shall follow these quote procedures.

7.2 PROCUREMENT PROCESS

PURCHASES OF GOODS		
DOLLAR THRESHOLD	COMPETITIVE PROCESS	MAJOR ACTIVITIES
\$1 – \$749	Not Required	<ul style="list-style-type: none"> Seeking competition is recommended, but not required for this dollar range. Award is based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost.
\$750 - \$19,999	3 Informal Quotes (Using Department)	<ul style="list-style-type: none"> Informal quotes shall be obtained by telephone, fax, email or internet (if phone, document conversation). Contact at least three vendors. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. Vendors located within the City should be considered. Be sure that technical information defines acceptable quality. Insure vendors are quoting on equal and comparable items, etc. Provide all vendors the same information
\$20,000 – Bid Limits	3 Written Quotes (Purchasing Division only)	<ul style="list-style-type: none"> Prepare written document/letter including at a minimum, description and quantity of goods required and desired delivery. Contact at least three vendors. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. Vendors located within the City should be considered. Be sure that technical information defines acceptable quality. Insure vendors are quoting on equal and comparable items, etc. Provide all vendors the same information. Vendors shall submit formal written responses.

7.3 PURCHASE REQUISITION PROCESS

The purchase requisition in FMSII is the first procedural step for the purchase of goods. If the purchase is over \$20,000.00, the purchase requisition will be handled by the Purchasing Division. If the purchase is from \$750.00 to \$19,999.99, the first step is to obtain quotes following the procedure in section 7.2 above. After receiving the quotes, the purchase requisition will need to be entered in FMSII and it will need to be approved by the department head or designee. After the purchase requisition has been approved, a purchase order shall be entered using the approved purchase requisition as a reference document in FMSII. The purchase order number shall be given to the vendor when the order is placed by the department. The vendor shall put the purchase order number on all invoices pertaining to that order. When the department is placing the order with the vendor, it needs to make sure that the estimated quote amount includes freight/shipping and that the "bill-to" address is correct so the invoice is mailed directly to the department. When entering the purchase order into the FMSII system, it

is the department's responsibility to choose the correct vendor and make sure the purchase order represents a "complete" picture of the purchase. The purchase order must be approved by the department head or designee for the submitting department. If the purchase order is \$5,000.00 or more or if the vendor requires a written purchase order, an "Official" Purchase Order" shall be printed (using the instructions in the FMSII Manual) and mailed or faxed to the vendor. After the product has been received in the department, a receiver document will need to be entered into FMSII and the invoice sent to the Accounting Department for payment.

8.0 PERSONAL SERVICES

8.1 GENERAL

"Personal service" means the furnishing of labor, time, or effort by a person as an independent contractor, not involving the delivery of a specific end product. It includes professional or technical consultants hired to accomplish a specific study or project task, and services provided to accomplish routine, continuing and necessary functions.

Examples of personal services include speakers, accounting, appraisals, and security services. Architectural, engineering, and surveying services are covered in section 9.0.

Building maintenance service contracts (e.g., window washing, janitorial, etc.) require the payment of state prevailing wages to the employees. They do not require a performance bond or payment retainage.

Personal services greater than \$50,000 are to be procured through a formal written public bid or proposal process through the Purchasing Division. Personal services below this amount shall follow these quote procedures.

8.2 PROCUREMENT PROCESS

PERSONAL SERVICES		
DOLLAR THRESHOLD	COMPETITIVE PROCESS	MAJOR ACTIVITIES
\$1 - \$9,999	Not Required	<ul style="list-style-type: none"> • Seeking competition is recommended, but not required for this dollar range. • Award is based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost.
\$10,000 – \$50,000	3 Written Quotes or Proposals (Using Department)	<ul style="list-style-type: none"> • Prepare written document / letter including at a minimum: description of services required, project schedule, request for individual/ firm's qualifications, request for costs or fees, and due date for responses. • Contact at least three individuals / firms. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. • Individuals / firms located within the City should be considered.

		<ul style="list-style-type: none"> • Insure individuals / firms are quoting on equal and comparable information. • Individuals / firms shall submit formal written responses.
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8.3 CONTRACT PROCESS.

Once an individual / firm has been selected to provide personal services for the City, request the City Attorney's Office to prepare a written contract. The using department shall also submit copies of its written quotation or a summary thereof to the City Attorney's Office before a contract can be prepared. Personal services up to \$500.00 may be paid for by direct voucher without a contract. The using department shall review the draft contract and if satisfactory, forward it to the individual / firm for approval and signature. Contracts at or under the minor contract dollar authorization threshold shall be processed in accordance with the City's Policy ADMIN 0500-05-01. Contracts over the minor contract dollar authorization threshold require city council approval before becoming effective.

9.0 ARCHITECTURAL, ENGINEERING AND SURVEYING SERVICES

9.1 GENERAL

Professional architectural, engineering and surveying services for which the estimated fee for the project is \$50,000 or less may be selected from either the annual pre-advertised list or by a Request for Qualifications / Proposals for the specific project. The pre-advertised list is maintained by the Purchasing Division.

Professional architectural, engineering and surveying services for which the estimated fee will be \$50,000 or more for the project are to be procured by a Request for Qualifications / Proposals process (RFQ/P). Professional services below this amount shall follow these procedures.

9.2 ANNUAL PRE-ADVERTISED LIST

The using department may review the submitted statements of qualifications and performance data on file in the Purchasing Division. The department shall then conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. Selection of the most highly qualified firm shall be based on established criteria to provide the services required for the proposed project.

The department shall negotiate a contract with the selected firm at a fair and reasonable price. The department shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the services to be provided in determining what is a fair and reasonable price. If the department is unable to negotiate a satisfactory contract with the selected firm, it shall terminate negotiations in writing, select another firm and continue the process until an agreement is reached or the process is terminated

9.3 REQUEST FOR QUALIFICATIONS / PROPOSALS

The project's requirements may be published in any form of media reasonably likely to attract sufficient numbers of potential proposers. The announcement should state the general scope and nature of the project or work for which the services are required and the contact information of a City representative who can provide further details. The using department shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. Selection of the most qualified firm shall be based on established criteria to provide the services required for the proposed project.

The department shall negotiate a contract with the selected firm at a fair and reasonable price. The department shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the services to be provided in determining what is a fair and reasonable price. If the department is unable to negotiate a satisfactory contract with the selected firm, it shall terminate negotiations in writing, select another firm and continue the process until an agreement is reached or the process is terminated

9.4 CONTRACT PROCESS

Once an individual / firm has been selected to provide professional services for the City, a request shall be made to the City Attorney's Office to prepare a written contract. The using department shall also submit documentation of its procurement process to the City Attorney's Office before a contract can be prepared. The using department shall review the draft contract and if satisfactory, forward it to the person / firm for approval and signature. Contracts under the minor contract dollar authorization threshold shall be processed in accordance with the City's Policy ADMIN 0500-05-01. Contracts at or over the minor contract dollar authorization threshold require city council approval before becoming effective.

10.0 PUBLIC WORKS

10.1 GENERAL

"Public work" is all work, construction, alteration, repair, improvement or demolitions to public property performed at the cost of the City. Contractors on all public works, regardless of cost, are required to pay their employees state prevailing wages. Federal wage rates are applicable to public work contracts of \$2,000 or more with federal funding. The City monitors compliance with prevailing wages on its public works contracts of \$5,000 or more for state or local funded contracts and \$2,000 or more for federally funded contracts. Public works contracts require a 100% performance bond and 5% payment retainage. However, on contracts of \$35,000 or less, the contractor may opt for a 50% payment retainage in lieu of the performance bond.

"Public work maintenance" is defined as work done by contract to keep existing facilities in good usable, operation condition. Public work maintenance contracts require the payment of state prevailing wages to the contractor's employees. They do not require a

performance bond or payment retainage. The City monitors compliance with prevailing wages on its public work maintenance contracts of \$5,000 or more. Examples of public work maintenance include HVAC maintenance, pavement sealing, etc.

Questions regarding public work contracts and public work maintenance contracts should be directed to the City Attorney's Office.

Public work greater than the appropriate public bid limits or public work maintenance contracts greater than \$50,000 are to be procured through a formal written public bid process. Public work or public work maintenance less than the bid amounts shall follow these quote procedures.

10.2 PROCUREMENT PROCESS

PUBLIC WORKS		
DOLLAR THRESHOLD	COMPETITIVE PROCESS	MAJOR ACTIVITIES
\$1 - \$4,999	Not Required	<ul style="list-style-type: none"> Seeking competition is recommended, but not required for this dollar range. Award is based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost.
<u>Public Work:</u> \$5,000 - \$19,999 (single craft/trade) \$5,000 - \$34,999 (multiple craft/trade) <u>Public Work Maintenance:</u> \$5,000 - \$19,999	3 Informal Quotes (Using Department)	<ul style="list-style-type: none"> Informal quotes can be obtained by telephone, fax or email (if phone, document phone conversation). Due to legal requirements for prevailing wages, performance bond and retainage, it is preferred to have a written request for quotes, unless dealing with a contractor who has done business with the City before and who is aware of the legal requirements. Contact a minimum of three contractors. At least two contractors shall be on the City's vendor registration list. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. Contractors located within the City should be considered. Insure contractors are quoting on equal and comparable information.
<u>Public Work:</u> \$20,000 - \$35,000 (single craft/trade) \$35,000 - \$70,000 (multiple craft/trade) <u>Public Work Maintenance:</u> \$20,000 - \$50,000	3 Written Quotes (Using Department)	<ul style="list-style-type: none"> Prepare a written request for written quotes, including at a minimum: description of project, public work legal requirements, timetable, etc. Contact a minimum of three contractors. At least two contractors shall be on the City's vendor registration list. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. Contractors located within the City should be considered. Insure contractors are quoting on equal and comparable information. Contractors shall submit formal written responses.

10.3 CONTRACT PROCESS

Public work and public work maintenance projects less than \$5,000 in cost (including labor, materials and tax) may be processed on a Service / Repair Order. If the contractor insists on a written contract, the contract will need to be processed in accordance with City procedures.

Public work and public work maintenance projects \$5,000 or more in cost (including labor, materials and tax) shall be processed by a written contract. Once a contractor has been selected to provide public work or public work maintenance services for the City, a request, including a copy of the written quotation from the selected contractor, shall be made to the City Attorney's Office to prepare a written contract. The department shall also submit documentation of its procurement process to the City Attorney's Office before a contract can be prepared. The department shall review the draft contract and if satisfactory, forward it to the person / firm for approval and signature. Contracts at or under the minor contract dollar authorization threshold shall be processed in accordance with the City's Policy ADMIN 0500-05-01. Contracts over the minor contract dollar authorization threshold require city council approval before becoming effective.

11.0 SERVICE / REPAIR ORDERS

11.1 GENERAL

Service / Repair Orders are a form of purchase order and are a means for departments to create an order for one-time (not on-going) repairs and services to equipment and/or facilities. They will have a fixed quantity and a fixed price per unit.

Examples of procurements suitable for a service / repair order include:

- Maintenance service or repair of City equipment / vehicles, on-site or off-site
- Performance of tests, on-site or off-site
- Performance of inspections (e.g., fire extinguishers, alarm systems, equipment)
- Repair to facilities (plumbing, carpentry, etc.) less than \$5,000
- Short term rental of equipment or goods

Service / repair work greater than \$50,000 shall be procured through a formal written public bid or proposal process. Service / repair work less than \$50,000 shall follow these quote procedures.

11.2 PROCUREMENT PROCESS

SERVICE/REPAIR ORDERS		
DOLLAR THRESHOLD	COMPETITIVE PROCESS	MAJOR ACTIVITIES
\$1 - \$1,999	Not Required	<ul style="list-style-type: none"> • Seeking competition is recommended, but not required for this dollar range. • Award is based on buyer experience and knowledge of the market in achieving maximum quality at minimum cost.
\$2,000 - \$9,999	3 Informal Quotes (Using Department)	<ul style="list-style-type: none"> • Informal quotes can be obtained by telephone, fax or email (if phone, document phone conversation). • Contact at least three individuals / firms. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. • One of the individuals / firms to be located within City limits. • Describe the services desired and request price, schedule and qualifications to perform work. • Insure individuals / firms are quoting on equal and comparable information.
\$10,000 – \$50,000	3 Written Quotes (Purchasing Division)	<ul style="list-style-type: none"> • Prepare written document / letter including at a minimum: description of services required, project schedule, request for individual / firm's qualifications, request for costs and due date for responses. • Contact at least three individuals / firms. If three potential sources are not known, record the lack of competition and document that price is fair and reasonable. Endeavor to contact two vendors on the City's vendor registration list. • One of the individuals / firms to be located within City limits. • Insure individuals / firms are quoting on equal and comparable items, etc. • Provide all vendors the same information. • Individuals / firms shall submit formal written responses.

11.3 SERVICE REPAIR ORDER PROCESS

When the need arises for a one-time service or repair, the department will create a Service/Repair Order in the FMSII system. The department will contact the vendor and make arrangements for the service/repair. It is the department's responsibility to give the vendor the service/repair order number and have the vendor put that number on all invoices pertaining to the service/repair. The service/repair order must be approved by the department head or designee for the submitting department. After the invoice has been received for the service/repair a receiver shall be entered into the FMSII system and the invoice sent to the Accounting Department for payment

12.0 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS

Pursuant to Chapter 39.34 of the Revised Code of Washington, the City may join with the state or other governmental agencies for the purchase of material, equipment, supplies, or services by entering into written intergovernmental cooperative purchasing agreements that require compliance with each party's applicable procurement laws. If the other agency has different procurement laws than the City, the more restrictive laws will apply to the joint activity.

Contact the Purchasing Division for more information and the list of existing agreements with other governmental agencies.

Information about available State contracts can be found at:

Washington State <http://fortress.wa.gov/ga/inet/pca/pcacont.htm>
Washington State Central Stores: www.ga.wa.gov/centralstores

13.0 PROCUREMENT REPORTING

The Purchasing Division shall send a monthly report of all procurements \$5,000 or more to the mayor, deputy mayor, city council, and chief financial officer. The City Attorney's Office shall provide a similar report for contracts.

14.0 VENDOR RELATIONS

14.1 GIFTS/ FINANCIAL INTERESTS

Section 36 of the Spokane City Charter prohibits City employees from having a financial interest in any City contract or transaction. It also prohibits City employees from having solicited or accepted a gift, favor, etc from any person involved in a City contract.

Contact the City Attorney's Office in the case of potential conflicts.

14.2 NEPOTISM.

Managers, supervisors, forepersons, and others with authority or practical authority shall not hire or supervise an individual / firm under contract that is a relative.

Contact the City Attorney's Office in the case of potential conflicts.

14.3 SAMPLES

When vendors offer samples for evaluation, they may be accepted under the following conditions:

- The sample is accepted as property of the City.

- The product is one that is a type presently in use or is of potential use to the City.
- Samples of goods not likely to be purchased are not to be accepted.
- The quantity or size of the sample is relatively small and of low value.
- Any chemicals offered as vendor samples shall not be accepted unless accompanied by an OSHA Product Safety Data Sheet.

15.0 CONTRACTING WITH MINORITY AND WOMEN OWNED FIRMS

The City encourages the participation of minority and women owned businesses in its procurements. The City shall not discriminate against, nor give preferential treatment to, minority and women-owned businesses.

16.0 LOCAL BUSINESS ENCOURAGEMENT

The City shall take affirmative steps to ensure that businesses situated within the city limits of Spokane are encouraged to participate in its procurement process to the extent permitted by federal, state and local laws, regulations, grants, and these procedures.

17.0 NONDISCRIMINATION

No individual shall be excluded from participation in, denied the benefit of, subjected to discrimination under, or denied employment in the administration of or in connection with City procurements because of race, color, creed, marital status, familial status, religion, sex, sexual orientation, national origin, honorably discharged veteran or military status, age, the presence of any sensory, mental or physical disability or use of a service animal by a person with disabilities.

18.0 MONITORING AND COMPLIANCE

The Finance Division will be responsible for monitoring and evaluating compliance with these procedures. The Accounting Director will first attempt to resolve departures from the procedures with the department director or the employee initiating the procurement. In the event the initial attempt to resolve the problem is unsuccessful, it will be referred to the Chief Financial Officer for further action. Further action could include disciplinary action, up to and including discharge.

19.0 REVISIONS

The mayor may make minor revisions, additions, or deletions to these procedures without city council approval.