

City of Poulsbo



Purchasing Manual

December 17, 2003

Purchasing Procedures Manual

This Purchasing Manual is intended for use as a guide to the City of Poulsbo (City) purchasing procedures. When used with good judgment and common sense, the policies and procedures established herein will enable the City to obtain needed supplies and services efficiently and economically. City employees involved in the purchasing process should be familiar with, and adhere to, the guidelines set forth in this manual.

The cooperation of all employees is essential if the City is to obtain the maximum value for each tax and utility dollar spent. While this manual may not answer all questions related to purchasing, it does provide the foundation for a sound centralized purchasing system. Any question not answered in this manual may be requested from the Central Services Manager (CSM) who will assist you in every way possible.

The material in this manual is subject to revision to meet the often-changing developments encountered in the field of purchasing and in the economy. Within these limits it is hoped that this manual will prove beneficial to the City.

This manual is effective immediately upon issuance and receipt by all departments and supersedes all purchasing instructions and directives.

If you have any questions, please call the Central Services Department (CSD).

City of Poulsbo

PURCHASING PROCEDURES MANUAL

100.00 RESPONSIBILITIES

110.00 City Central Services Department

120.00 Program Objectives

130.00 Department's Responsibility

140.00 Code of Ethics

150.00 Suggestions

200.00 GENERAL INFORMATION

210.00 Unauthorized Purchases

220.00 Personal Gifts to be declined

230.00 Small Works Roster

240.00 Conflict of Interest

250.00 Purchases Near Close of Fiscal Year

260.00 Trial or Demonstration Equipment

300.00 SUPPLIES (GOODS)

310.00 State Contracts

400.00 APPROVALS

410.00 Justification to Acquire Major Office Equipment

420.00 Inter-local Purchasing Agreements

500.00 BID REQUIREMENTS FOR PURCHASES

510.00 Competitive Bids

520.00 Getting Bids, Pre-Authorization Form Procurement

530.00 Sole Source Procedure

600.00 PURCHASE PROCEDURE

610.00 Purchases \$7,500 or Less (Non-Fixed Assets)

610.10 Purchases of Fixed Assets \$5,000 or greater

620.00 Purchases Greater than \$7,500 and Less than \$15,000

630.00 Purchases of \$15,000 and Above

700.00 COMPLETING THE PRE-AUTHORIZATION AND PAYMENT FORM

710.00 Specification Sheets

720.00 Source of Forms

730.00 Pre-Authorization and Payment Form Use

740.00 Receipt of Merchandise	
750.00 Payment Procedures (Vendor Payment Authorization)	
<hr/>	
800.00 PROCUREMENT CARDS.....	1
900.00 RUSH PURCHASE REQUESTS EXCEEDING \$15,000.....	1
<hr/>	
1000.00 EMERGENCY PURCHASES.....	1
1010.00 Definition: Emergency.....	1
1100.00 CITY OFFICE SERVICES.....	1
1110.00 Keys, Lock Change Requests, Facilities Services Additions, Modifications, Remodeling, Renovations and Repairs.....	1
1120.00 Carpet and Drapery Requests.....	1
1130.00 Telephone Service Requests.....	1
1200.00 EQUIPMENT MAINTENANCE AGREEMENTS.....	1
1300.00 MISCELLANEOUS POLICY ITEMS.....	1
1310.00 Encumbrances - Monthly Financial Reports.....	1
1320.00 Rent or Lease of Equipment	1
1330.00 Types of Purchase Orders Issued	1
1340.00 Delegated Purchasing Authority, City of Poulsbo	1
1350.00 Office Supplies.....	1
1400.00 PURCHASE OF USED EQUIPMENT VALUED AT \$15,000 OR MORE.....	1
1410.00 Criteria to Consider in Making this Determination Include:.....	1
1420.00 The Following Information Should Accompany the Pre- Authorization and Payment Form:	1
1500.00 PRINTING.....	1
1510.00 Ordering Printing/Business Cards.....	1
1520.00 Photocopying	1
1600.00 TRADE-IN OF EQUIPMENT	1
1700.00 CAPITAL ITEMS DEFINED.....	1

1800.00 CITY PROJECT CONTRACT PROCESS & PROCEDURES 1

..... 1

1805.00 Contents of Proposal and Contract Documents..... 1

1810.00 Interpretation of Contract Documents..... 1

1815.00 Competency of Bidders..... 1

1820.00 General Standard Responsible Prospective Contractors..... 1

1825.00 Bids or Proposals 1

1830.00 Preparation and Submission of Bids 1

1835.00 Proposal Considerations..... 1

1840.00 Bid Deposits..... 1

1845.00 Performance Bonds 1

1850.00 Program and Method of Construction 1

1855.00 Withdrawal of Bids or Proposal 1

1860.00 Combination or Conditional Proposals..... 1

1865.00 Public Opening of Proposals 1

1870.00 Disqualification of Bidders..... 1

1875.00 Processing of Bid Documents..... 1

1880.00 Award and Execution of Contract..... 1

1885.00 Materials and Equipment 1

1890.00 Cancellation of Awards..... 1

1895.00 Requirements of Performance Bond 1

1900.00 Additional Security..... 1

1905.00 Failure to Execute Contract..... 1

1910.00 Contractors and Subcontractors Insurance 1

1915.00 Legal Relations and Responsibility to Public 2

1920.00 Prevailing Wage..... 2

19250.00 Federal Funding Provisions 2

1930.00 Laws, Ordinances and Regulations 2

1935.00 Restoration of Surfaces..... 2

1940.00 Responsibility for Damage Claims 2

1945.00 Contractor’s Responsibility for Work 2

1950.00 Maintenance of Traffic..... 2

1955.00 Final Cleanup 2

1960.00 Authority of City of Poulsbo 2

1965.00 Acceptance and Final Payment..... 2

1970.00 Consultant Roster 2

Addendum A – Procurement Card Policy (attached)

Addendum B – Resolution 2001-19 Small Works Roster Procedures (attached)

100.00 Responsibilities

110.00 City Central Services Department

The City CSD is responsible for all procurement procedures of the City. Working essentially as a service organization, the City CSD serves as coordinator between the requesting Department and the supplier. The City CSD must follow City, State and Federal requirements and must adhere to sound purchasing practices.

The Central Services Office has a solid foundation of knowledge and experience about purchasing, prices and vendors. This knowledge and expertise saves the City money on prices and allows for a more efficient purchasing process. Operate an ongoing purchasing function capable of providing daily service and support on an organization-wide basis

The CSD is available for assistance with purchases under the limits (section 600) and may be included in all stages of acquisitions, from planning, to ordering, to receiving. The CSD will not influence what is purchased, but will provide the department's knowledge of services and products.

The Central Services Manager shall have a level of authority which will enable the Central Services Office to coordinate and deal with other departments effectively and, at the same time, prevent purchasing decisions from being influenced by political considerations for special interests.

120.00 Program Objectives

Program objectives are essential to the implementation and administration of a meaningful, viable and successful purchasing program. Program objectives spell out in words what is expected of the program and of the individuals who administer and participate in the program. Program objectives also serve as a set of guidelines to be used by management, operating personnel and the CSD in reaching responsible and intelligent decisions relative to the day-to-day administration of the program. And, over the long run, program objectives provide management with a set of general standards against which to gauge the effectiveness and success of the program.

The primary objectives of the City purchasing program are as follows:

1. Introduce a greater measure of responsibility and accountability over implementation of the annual budget.
2. Assure realization of the principles of competitive purchasing and best buy at least cost.
3. Assist staff at all levels in reaching responsible, cost effective decisions in the procurement of quality supplies and services for City of Poulsbo use.

4. Formulate policies and procedures designed to systematize and enhance the efficiency of the City of Poulsbo's procurement process.
5. Promote goodwill and clear communication in City of Poulsbo/Vendor relations relative to purchasing and services.
6. Promote the realization of equal opportunity policies through procurement relations with Vendors.

130.00 Department's Responsibility

It is each Department's responsibility to inform new and current staff about City Purchasing Procedures. Please feel free to contact the CSD when in doubt about purchasing procedures. You will be given personal instruction in the handling of your orders or problems. This precaution will prevent errors and mix-ups due to improper handling.

140.00 Code of Ethics

Statement of Purchasing Policy

"Public employment is a public trust." It is the policy of the City to promote and balance the objective of protecting government integrity and the objective of facilitating the recruitment and retention of personnel needed by the City. Such policy is implemented by prescribing essential standards of ethical conduct without creating unnecessary obstacles to entering public service.

Public employees must discharge their duties impartially so as to assure fair competitive access to governmental procurement by responsible contractors. Moreover, they should conduct themselves in such a manner as to foster confidence in the integrity of the City procurement organization.

To achieve the purpose of this Article, it is essential that those doing business with the City also observe the ethical standards prescribed here.

General Ethical Standards

1. It shall be a breach of ethics to attempt to realize personal gain through public employment with the City by any conduct inconsistent with the proper discharge of the employee's duties.
2. It shall be a breach of ethics to attempt to influence any public employee of the City to breach the standards of ethical conduct set forth in this code.
3. It shall be a breach of ethics for any employee of the City to participate directly or indirectly in a procurement when the employee knows that:
 - a. The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement;

- b. A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
 - c. Any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.
- 4. Gratuities – It shall be a breach of ethics to offer, give or agree to give any employee or former employee of the City, or for any employee or former employee of the City, to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore before this government.
 - 5. Kickbacks – It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the City, or any person associated therewith, as an inducement for the award of a subcontract or order.
 - 6. Employees of the City shall be guided by this Code of Ethics policy statement and Revised Code of Washington ("RCW") 42.23. Where any conflict occurs between this Code of Ethics policy statement and RCW 42.23, the RCW shall take precedence.

150.00 Suggestions

Suggestions that will help reduce costs, promote efficiency, or improve supplier service are both welcome and requested. Cost reduction ideas should reduce costs without a corresponding reduction in quality of service.

200.00 General Information

210.00 Unauthorized Purchases

Departments are liable for purchases that are made contrary to City purchasing regulations. **PURCHASES FOR PERSONAL USE ARE NOT ALLOWED.**

The person ordering the unauthorized purchase is personally liable for the costs of the purchase or contract.

220.00 Personal Gifts to be declined

Personal gifts or gratuities that might influence or give the appearance of influencing the requisition or purchase of material(s) must be declined. Occasionally, gifts or premiums of little value are unavoidable. When these are received, they are to be considered City property and should be reported as a notation on the invoice, and included on the department petty equipment or supply inventory. The City will not tolerate circumstances that produce, or reasonably appear to produce, conflicts between the personal interests of any employee and the interests of the City. Reference RCW 42.23.

230.00 Small Works Roster

The City shall compile and maintain a bidders list for small works, or those projects that do not exceed \$200,000. (See Resolution 2001-19 Addendum B attached). Vendors desiring to be listed shall advise the Central Services Manager in writing of the following:

Type of business

Names of officers, owners, or partners

Persons authorized to sign bids, offers, and contracts

Certification of compliance with all applicable licensing and fee requirements for federal, state and local laws and regulations

Type of equipment, supplies, and materials sold and/or services provided

How long in present business

The City may choose to use either the City Small Works Roster or the Washington State Small Works Roster. This determination is at the sole discretion of the City.

240.00 Conflict of Interest

No employee of the City of Poulsbo may undertake consulting, professional practice or other assignments which would result in a conflict of interest. Any employee of the City who recommends or approves a purchase and who has any financial interest in the firm involved in the purchase shall disclose his or her interest in the firm prior to recommending or approving the purchase.

250.00 Purchases Near Close of Fiscal Year

Purchases or invoices for supplies, equipment or services submitted at or near the close of a fiscal year are to reflect essential requirements and are not to be used to exhaust appropriation balances.

260.00 Trial or Demonstration Equipment

Trial use should be arranged through the CSD. Such equipment is not to be used as leverage for purchase without competitive bids.

300.00 Supplies (Goods)

310.00 State Contracts

For purposes of utilizing group purchasing power, the City is considered a political subdivision and utilizes state contracts whenever possible. Call for bids are not required for items on state contracts. The State Procurement Agency has followed all proper procedures in calling for bids and awarding the contracts, eliminating the requirement for the City to advertise for bids. The City pays a small sum once each year to utilize these contracts. For vehicle purchases, an extra fee is charged by the state for the use of these contracts.

The Central Services Manager keeps a complete list of all products available on State contracts and should be contacted if information is needed. This information is available on line at www.ga.wa.gov/

400.00 Approvals

The City's CSD is responsible for coordinating certain functions within the City. Part of the coordination process is the review and approval of certain equipment.

410.00 Justification to Acquire Major Office Equipment

Departments desiring to acquire information technology or related equipment or software (whether by purchase, lease or rent) are required to complete a Pre - Authorization and Payment Form and forward to the Central Services Manager.

420.00 Inter-local Purchasing Agreements

The Mayor of the City is authorized to sign Inter-local Purchasing Agreements.

500.00 Bid Requirements for Purchases

Because funds administered by the City are subject to Federal, State and internal audit, purchasing procedures must be consistent with established institutional policies and practices. Consequently, the following requirements must be met:

510.00 Competitive Bids

Where possible, a minimum of three (3) competitive bids or proposals shall be obtained for the procurement of goods over \$7,500. Award shall be made to the lowest bid. If the low bid will not meet the specifications identified on the Pre-

Authorization Form and Request for Bid, reason(s) for non-acceptance must be documented in writing.

520.00 Getting Bids, Pre-Authorization Form Procurement

Written quotes may accompany the Pre-Authorization Form; however, the City CSD will obtain additional quotes if, in their judgment, it is necessary to satisfy purchasing and audit requirements.

530.00 Sole Source Procedure

Requests for sole source acquisitions are cause for major concern because of their adverse effect upon the requirement for broad-based competition for City purchases. All requests for sole source acquisitions must be thoroughly documented. A statement is required showing how the determination was made and that there is only one available source. Additional documentation may be necessary. **IN ALL CASES, THE SOLE SOURCE PURCHASE WILL BE SUBJECT TO COMPETITIVE SOLICITATION PROCEDURES AND REVIEW AND MUST BE APPROVED BY THE CITY COUNCIL.**

600.00 Purchase Procedure

610.00 Purchases \$7,500 or Less (Non-Fixed Assets)

Departments may purchase supplies and services costing \$7,500 or less (total purchase) under the following conditions:

The Department may choose a purchasing technique [telephone solicitations, comparison shopping, etc.] including cash purchase that best meets the needs of the department.

Purchases of goods less than \$7,500 do not require competitive bids; however, some form of competitive purchasing should be observed whenever practicable.

Procurement requirements shall not be artificially divided to avoid using other source selection methods requiring competitive bids or dollar limit requirements.

610.10 Purchases of Fixed Assets \$5,000 or greater

Any fixed asset (non-project related) costing more than \$5,000 needs to be processed through the CSD.

620.00 Purchases Greater than \$7,500 and Less than \$15,000

To acquire supplies and services between \$7,500 and less than \$15,000 departments shall meet the following conditions:

- 1. If a supply or service is available from only one business, the sole source procurement methods shall be used.**
- 2. Procurement requirements shall not be artificially divided to avoid other source selection methods or dollar limit requirements.**

3. **The department or Central Services shall solicit a minimum of three (3) telephone bids from suppliers that are in the business of selling the product or service required. The Central Services Manager will present to the City Council for award to the business offering the lowest acceptable bid.**

630.00 Purchases of \$15,000 and Above

Supplies, services and capital items exceeding \$15,000 in value must be requested through the CSD. The CSD will process the request and present the results to the City Council for award.

700.00 Completing the Pre-Authorization and Payment Form

The pre-authorization and payment form must be filled in completely. The form shall include all of the following information:

1. Date: Date form is prepared
2. Person ordering: Originator/person preparing the form
3. Budget: Complete expenditure 18-digit bars number
4. Vendor name-Vendor Number
5. Quantity: The quantity requested should clearly identify measurable units such as each, sheets, pounds, gallons, feet, case etc. List quantity under description
6. Description: Descriptions should be complete and detailed. Specifications should be written so that no guesswork is required
7. Unit Price: List the unit price or an estimated price
8. Special Instructions: The requisitioner should include any information whatsoever that will assist in making the best possible buy on the needed supplies or services in the comments field.
9. **A form is required for each vendor. Orders to different vendors cannot be processed with one form.**

NOTE: Whenever practicable or feasible, the City will procure goods, materials and supplies which contain a certain percentage of recycled content in the product. Therefore, in some instances a requisitioned item will be substituted but, in all cases, it will be of comparable value, size and quality and will contain some percentage of recycled content.

If you need assistance in completing the form, please contact the CSD.

710.00 Specification Sheets

If additional room is required, use Specification Sheets. This will help us to not have to retype and possibly make errors.

1. Reference to Material

Reference to bids, copies, or other listings are not acceptable in lieu of specifications typed on the form or Specification sheet.

720.00 Source of Forms

Pre-authorization and payment forms are available online or from the CSD at no cost to the department. The multi-part form will be discontinued when the current supply is exhausted.

730.00 Pre-Authorization and Payment Form Use

1. The form will be use as a pre-authorization of all purchases, when requested, (Except credit card purchases)
2. **Copy of Request for Bid sent to department** - When a Request for Bid is issued; the requesting Department is provided a copy to review for accuracy. **Advise Central Services of any discrepancies immediately.**
3. **Tabulation of Bids** - The bid due date and time will be indicated on the Request for Bid. At the assigned time, the sealed bids from the suppliers will be opened and tabulated.

If the City CSD issued the Request for Bid, the requesting department will be given bid results.

If the bid results are relatively uncomplicated (i.e. no alternates bid, all bids seeming to meet specifications) the department may be contacted by telephone and given the bid results verbally.

The department should review the bids. If the low bid does not meet specifications, explain on the form how it does not meet specifications. The City Council will award to the lowest bid that meets specifications.

Bid awards will also be posted on the City of Poulsbo website www.cityofpoulsbo.com.

4. **When applicable, a copy of the Purchase Order Sent to Department** - After the City CSD has issued the Purchase Order, the CSD will send a copy of the Purchase Order to the individual department. **Departments are encouraged to review the copy for accuracy.**
5. **Purchase Order Modifications and Merchandise Returns** - Modification of Purchase Orders issued by the CSD may be made only through Central Services. The return of merchandise obtained through these Purchase Orders must be either arranged through the CSD or the CSD must be informed, by memo, of the return. This is necessary so that returns are properly made.

6. **Requests to Increase Purchase Orders Must be in Writing** - Approval by the same approval authorities that approved the original form is required.
7. **Requests to Decrease Purchase Orders Must be in Writing** - The Departmental employee authorized to make such requests must sign the memo.
8. **Requests to Change BARS Numbers** - Requests to change BARS numbers must be in writing and signed by all approval authorities for the new number.

740.00 Receipt of Merchandise

In most cases, the City departments will receive all incoming deliveries and be responsible for signing for and inspection of all deliveries.

1. **Damage to Merchandise** - Make notations on the delivery receipts in all cases where damage is apparent or suspected. Have the individual delivering the merchandise sign all copies that you sign. This will help to establish carrier liability and to substantiate claims at a later date. Contact the freight company within 15 days and request a damage inspection report.
2. **Partial Shipment Payment Policy** - It is the policy of the City to promptly process invoices for merchandise and services received in accordance with the Purchase Order/Requisition.

Unless the Purchase Order/Pre-Authorization form identifies the merchandise to be a system, partial shipments are to be promptly paid as they are received and invoiced.

Do not accumulate partial invoices or delay payment until the entire order is received, unless the Purchase Order/Pre-Authorization form specifically states that no payment will be made until the entire order is received.

750.00 Payment Procedures (Vendor Payment Authorization)

Contact the City A/P Clerk for current Vendor Payment Authorization processing procedures.

800.00 Procurement Cards

See Addendum A Procurement Policy.

900.00 Rush Purchase Requests Exceeding \$15,000

1. The Pre-Authorization form should be prominently labeled "RUSH".
2. The Pre-Authorization form should be typed, approved and hand-carried to the CSD.
3. Written explanation of the urgency must accompany the form.
4. If the form meets all requirements, and is consistent with delegated purchasing authority, the CSD will obtain bids from suppliers by telephone or facsimile and immediately issue a Purchase Order if required. Written confirmation of telephone bids will be required by the CSD. Suppliers will be requested to expedite delivery. In placing the order, consideration will be given to the supplier who can meet the required delivery schedule. When possible, Finance Committee or Council approval will be requested prior to purchase.

1000.00 Emergency Purchases

1010.00 Definition: Emergency

A situation demanding swift attention. Plural: urgent requirements; pressing needs.

1. The following is from the Administrative Rules of Washington:
EMERGENCY PROCUREMENT.
 - a. Emergency procurement shall be limited to those supplies or services necessary to meet the emergency.
 - b. The determination as to whether procurement shall be made as an emergency procurement shall be made by the CSD or as delegated by a written delegation agreement. The determination must be in writing and must state the basis for an emergency procurement and for the selection of the particular contractor.
 - c. The procedure used shall be selected to assure that the required supplies or services are procured in time to meet the emergency. However, competition as is practicable shall be obtained.
 - d. A record of each emergency procurement shall be made as soon as practicable and shall set forth:
 - (i) The contractor's name;
 - (ii) The amount and type of contractor; and

- (iii) A listing of the supplies or services secured under the contract
2. Occasionally unforeseen events occur that make emergency procurement necessary. The CSD recognizes the need for expediency in these cases. The practice and procedures of orderly purchasing and adherence to all regulation must still be observed.

1100.00 City Office Services

1110.00 Keys, Lock Change Requests, Facilities Services Additions, Modifications, Remodeling, Renovations and Repairs

Contact City of Poulso Public Works Facilities for procedures and necessary forms.

1120.00 Carpet and Drapery Requests

All departmental purchases of carpet, carpet installation, drapery, curtains, drapery hardware and drapery installation are the responsibility of Facilities Services, regardless of dollar amount.

This policy provides a standardization program, proper site preparation, installation and observance of all necessary and required fire and safety codes.

Contact the City Facilities Services for procedures and necessary forms.

1130.00 Telephone Service Requests

Contact the City Central Services Manager for procedures and necessary forms.

1200.00 Equipment Maintenance Agreements

1. Maintenance Agreement forms provided by the maintenance supplier can be used but feel free to discuss your situation with the CSD or City Legal Counsel.
2. If an encumbrance is desired, the CSD will handle the maintenance forms.

1300.00 Miscellaneous Policy Items

1310.00 Encumbrances - Monthly Financial Reports

When the monthly financial reports are received, the department should reconcile outstanding Purchase Order balances.

1320.00 Rent or Lease of Equipment

A Pre-Authorization and Payment form and subsequent Purchase Order, if necessary, must be processed for all equipment that a City employee desires to rent or lease.

1330.00 Types of Purchase Orders Issued

1. Standard PO – for a one-time expenditure through one vendor
2. Blanket PO – for multiple expenditures over a period of time with a maximum value approved. Blanket PO's will be processed at the departments' request.

The decision to issue a City Purchase Order will be made by the CSD.

1340.00 Delegated Purchasing Authority, City of Poulsbo

The City of Poulsbo Central Services Manager has purchasing authority delegated for all appropriately approved and budgeted items.

1350.00 Office Supplies

Office supplies may be purchased from the current recommended source for office supplies.

1400.00 Purchase of Used Equipment Valued at \$15,000 or More

Purchase of used equipment is allowable if in the best interest of the City. Unless justified as sole source or emergency, the award of the contract will be made by identifying the acceptable used equipment specifications as minimum requirements and proceeding with the competitive bidding process.

1410.00 Criteria to Consider in Making this Determination Include:

1. Consideration of the type, use and life expectancy of new versus used equipment.
2. Comparing the purchase price of new and used equipment.
3. Comparing the price and general condition of used equipment among several suppliers.
4. Consideration of the freight charges and F.O.B. Point.
5. Investigation of manufacturer or brand and availability of warranty, maintenance and parts.

6. Clarification of payment terms.

1420.00 The Following Information Should Accompany the Pre-Authorization and Payment Form:

1. Type of used equipment
2. Manufacturer or brand name
3. Model and serial number
4. Year of manufacture
5. General condition
6. Available warranty
7. F.O.B. Point
8. Purchase price of equipment if purchased new
9. Purchase price of used equipment
10. Cost of transportation, if any
11. Payment terms
12. Justification for considering used rather than new equipment
13. Listing of additional suppliers contacted, type of equipment viewed and purchase price of each

1500.00 Printing

1510.00 Ordering Printing/Business Cards

Printing may be ordered from:

1. Commercial Printers
2. City CSD

If assistance is needed to order custom printing, please submit a Pre-Authorization form to the CSD. Provide accurate copy and such other information as is appropriate. We suggest that printing plans be discussed with the Central Services Manager.

1520.00 Photocopying

Photocopying may be done at outside suppliers within the department's dollar limits.

1600.00 Trade-In of Equipment

In addition to the description (on the Pre-Authorization and Payment form) of the equipment to be purchased, the trade-in equipment should be identified in detail. List age, manufacturer, model number, serial number, Asset ID number and operating condition.

1. Contact the CSD if the equipment is to be transferred or sold to another department or disposed of instead of used as trade-in.
2. The CSD must handle all trade-ins, sales, transfers or disposal of City property.

1700.00 Capital Items Defined

Equipment that retains its identity and has an expected useful life longer than one year and has a unit cost of \$5,000 or more is considered a capital item. In addition, an item purchased to "add" to an existing capital asset regardless of value will be considered a capital item and will be added to the value of the original capital asset.

1800.00 City Project Contract Process & Procedures

1805.00 Contents of Proposal and Contract Documents

Upon request, the City will furnish the prospective bidder with a set of specifications and proposal form. The general conditions of the specifications will state the location and description of the contemplated construction and will show the approximate estimate of the various quantities and kind of work to be performed or materials to be furnished, and will have a schedule of items for which unit bid prices are invited.

1810.00 Interpretation of Contract Documents

If any prospective bidder who contemplates submitting a proposal for a contract is in doubt as to the true meaning of any part of the proposal, specifications, general provisions, general and detailed plan, he may submit to the Central Services Manager or Project Manager a written request for an interpretation thereof. On construction projects, City personnel for clarification of the bid documents may schedule a pre-bid meeting. If changes occur after the bid documents have been received by the prospective bidder, an addendum will be mailed to each prospective bidder. Such addendum must be attached to and becomes a part of the contract documents. The City will not be responsible for any other explanations of the contract documents made prior to the receipt of bids.

1815.00 Competency of Bidders

The City requires that the bidder shall furnish satisfactory evidence that he/she has the necessary resources to fulfill the conditions of the contract and specifications. A list of similar projects or furnishing of equipment shall be submitted with bid documents. Purchases shall be made from, and contracts shall be awarded only to, responsible prospective contractors.

1820.00 General Standard for Responsible Prospective Contractors

Except as otherwise provided, a prospective contractor must:

- A. Have adequate financial resources or the ability to obtain such resources as required during performance of contract;
- B. Be able to comply with required or proposed delivery or performance schedule;
- C. Have a satisfactory record of performance – contractors who are delinquent in current contract performance, when the number of contracts and the extent of delinquencies of each are considered shall, in the absence of evidence to the contrary or circumstances beyond the control of the contractor, be presumed to be unable to fulfill this requirement;
- D. Be able to conform to the requirements of the standard anti-discrimination clause;
- E. Provide certification that all licenses and fees be paid and current with the State of Washington and must possess valid licenses to perform contract work within the State of Washington.

1825.00 Bids or Proposals

Sealed bids or proposals made on a lump sum basis shall state the total price for all the work completed, tested, and ready for continuous use, as shown on drawing or as described in specifications.

1830.00 Preparation and Submission of Bids

Each bidder shall accompany his proposal with a bid bond or certified check in the amount of not less than five percent (5%) of the bid, made payable to the City of Poulsbo, Poulsbo, WA 98370. Bid bonds or certified check shall be computed on the basis of the lump sum bid or the total of the sums bid on all items of work using the higher price alternates, if any. Each bidder shall submit bids on proposal forms furnished for this purpose by the City. Bids shall be signed in ink. Erasures or changes in a bid must be explained or noted over the signature of the bidder. Bids containing conditions, omissions, unexplained erasures, alterations of forms or irregularities of any kind may be rejected by the City. However, the City reserves

the right to accept or to reject any or all proposals and to waive irregularities or technicalities as it may deem in its best interest.

Bidders making a proposal for the performance of the work under a contract shall follow these instructions for signing the bid, and in every case, the bidder must, in addition to signing, give a full business address and telephone number which shall be in his permanent place of business for use in mailing written notices addressed to the successful bidder.

- A. An individual making a bid shall sign it with his/her usual signature;
- B. A proposal from a firm must be signed in the firm's name by one of the members of the firm, followed by the signature and designation of the individual;
- C. A proposal by a corporation must be signed with the legal name of the corporation, followed by the name of the state of incorporation, and by the signature and designation of the officer authorized to execute such documents.

Proposals with all required supporting documents should be sealed in an envelope addressed to the Central Services Manager, P.O. Box 98, Poulsbo, WA 98370. The envelope shall have the following information inscribed in the upper left hand corner: The name of the bidder, identification of the bid as advertised, and the bid opening date.

1835.00 Proposal Considerations

The City reserves the right to accept, reject, or waive any formalities in any proposal made for the work at any time within the time specified after the date of opening the same if it appears in the City's interest to do so. The proposals will be compared on the basis of the total cost of the project and the award will be made to the lowest responsible and responsive bidder, provided the bid is reasonable and it is in the interest of the City to accept it, as soon as practicable. The City may, in the interest of standardization or ultimate economy, award a contract to a responsible bidder other than the lowest bidder. No contract will be awarded to anyone who has defaulted under any obligation to the City.

1840.00 Bid Deposits

Bid deposits or surety shall be prescribed in the public notices inviting bids. A successful bidder, upon failure on his part to enter into a contract within the time specified after written notification of the bid award, shall forfeit any surety or bid deposit. Unsuccessful bidders shall be entitled to the return of that deposit or surety. The City shall return the bid deposit of the unsuccessful bidders within a reasonable time after the successful bidder has executed a contract.

1845.00 Performance Bonds

The City shall require a performance bond before entering a bid-based contract, in an amount not less than one hundred percent (100%) of the total contract. Specific terms and conditions of the performance bond shall be included in the contract.

1850.00 Program and Method of Construction

The City in considering the proposal for this work will give particular attention to the order of execution and methods of construction. Therefore, the contractor must, prior to the award of the contract, be prepared to discuss in detail and submit in writing, if required, the method proposed in handling all items of work.

Furthermore, the contractor must be prepared to discuss in detail and submit in writing, if required, any matter relative to those special features of the work with the end in view, that the City may obtain high grade installations of all mechanical equipment, appurtenances, and materials, including restoration.

1855.00 Withdrawal of Bids or Proposal

A bidder may withdraw a bid or proposal, provided the written request is in the hands of the official indicated in the bid or proposal by the time set for opening bids or proposals. When such bid or proposal is reached before the bid or proposal opening, it will not be opened and returned to the bidder.

1860.00 Combination or Conditional Proposals

If the City so elects, proposals may be issued for projects in combination and/or separately, so that bids may be submitted either on the combination or on separate units of the combination. The City reserves the right to make awards on combination bids or separate bids to the best advantage of the City. No combination bids, other than those specifically set up on the proposals by the City, will be considered. Separate contracts will be written for each individual project included in the combination.

1865.00 Public Opening of Proposals

Proposals will be opened and read publicly at the time and place designated in the proposal. Bidders, their authorized agents, and other interested parties are invited to be present.

1870.00 Disqualification of Bidders

Any of the following reasons may be considered as being sufficient for the disqualification of a bidder and the rejection of his proposal or proposals.

- 1. More than one proposal for the same work from an individual, firm, or corporation under the same or different name.**

2. Evidence of collusion among bidders. Participants in such collusion will receive no recognition as bidders for any future work of the City until any such participant shall have been reinstated as a qualified bidder.
3. Bid prices which are priced too high or too low to meet the specification requirements.
4. Failure to submit a bid or proposal bond or certified check in the amount of five percent (5%) of the bid.

1875.00 Processing of Bid Documents

1. Before bid is awarded:
 - b. Agenda item is submitted to City Council by department head for approval.
 - c. After City Council approval, notify contractor in writing of the award of the bid with instructions to forward performance bond (for construction projects), insurance and signed contracts. These documents must be in Central Services Manager's or department head's office before project can begin. When bid is for capital equipment (over \$1,000.00) performance bond and insurance are not required. Contracts must be signed by the contractor and the City official for project files.
 - d. Letter of appreciation to unsuccessful bidders returning their bid bonds.
2. Procedures After Award of Bid:
 - a. Letter from Central Services Manager to successful bidder with contracts to be signed and returned for City official (Mayor) signature.
 - b. Instruct contractor to forward performance bond and insurance forms to Central Services Manager.
 - c. When contract is executed, notice to proceed/deliver to contractor by Central Services Manager.
 - d. After successful delivery of equipment or completion of project, staff report will be sent to City Council by department head for acceptance and release of retainage.

1880.00 Award and Execution of Contract

The award of the contract, if it were awarded, will be made within sixty (60) calendar days after the opening of proposals to the lowest and/or best bidder, whose proposal complies with all the requirements prescribed. In no case will an award be made until all necessary investigations are made to the responsibility of the bidder to whom it is proposed to award the contract. The successful bidder will be notified by letter mailed to the address shown on the proposal stating that the bid has been accepted and that the contract has been awarded.

1885.00 Materials and Equipment

Before any contract is awarded, the bidder may be required to furnish a complete statement of the origin, composition and manufacture of any or all materials to be used in the construction of the work together with samples, which samples may be subjected to the test provided for in the specifications to determine their quality and fitness for work.

1890.00 Cancellation of Awards

The City reserves the right to rescind the award of any contract at any time before signing the contract by all parties without any liability against the City.

1895.00 Requirements of Performance Bond

No later than ten (10) days after award of the contract, each successful bidder shall file with the Central Services Manager a performance bond in the form of a surety bond or a Letter of Credit in a form meeting the approval of the City Attorney for the full amount of the bid to insure delivery according to said contract and these specifications. If a surety bond is supplied, said bond shall be executed by a surety company authorized to do business in Washington of known responsibility and good standing, which qualifications shall be judged by the City on a form meeting the approval of the City Attorney.

1900.00 Additional Security

In every case where a bond is required, should any surety company thereon become, in the opinion of the City, unacceptable as a surety, at any time during the life of the contract and guarantees covered thereby, the contractor must promptly furnish such additional security as the City may from time to time require to protect the interests of the City and any persons supplying labor and materials in completing the work contemplated by the contractor.

1905.00 Failure to Execute Contract

Failure to execute the contract and file acceptable bonds shall be just cause for the cancellation of the award and the forfeiture of the proposal bond which shall become the property of the City, not as a penalty, but as liquidation of damages sustained. Award may be made to the next lowest, responsible and responsive bidder, or the work may be re-advertised and constructed under contract or otherwise, as the City may decide.

1910.00 Contractors and Subcontractors Insurance

The contractor and/or subcontractor will be required to procure and maintain during the life of the contract the insurance listed hereafter, and approval of the insurance by the City shall not relieve or decrease the liability of the contractor. Contractors being awarded the contract are responsible and if any claims should arise during the course of the contract, contractor will be responsible for the claim and the City expressly denies liability for any such claims.

- A. Worker's Compensation and Employer's Liability Insurance - The Contractor shall procure and shall maintain during the life of this contract Workers' Compensation Insurance, in the minimum amount or greater required by law, for all of his/her employees to be engaged in work on the project under this contract; and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees to be engaged in such work unless such employees are covered by the protection afforded by the contractor's Worker's Compensation Insurance. In case any class of employees engaged in hazardous work on the project under this contract is not protected under the Worker's Compensation statute, the contractor shall provide and shall cause each subcontractor to provide Employer's Liability Insurance for the protection of the employer from suits brought by employees.
- B. Public Liability Insurance - The contractor shall procure and maintain Public Liability Insurance in the minimum amount or greater required by law, and shall require any of his subcontractors performing work covered by the contract to do the same, to protect themselves from claims for bodily injury or property damage which may arise from operations under the contract, whether such operations be by the contractor or by any subcontractor or by anyone directly or indirectly employed by either of them.

1915.00 Legal Relations and Responsibility to Public

LAWS TO BE OBSERVED – The contractor shall keep fully informed of all Federal and State laws, all local laws, ordinances and regulations and all orders and decrees of authorities having any jurisdiction or authority which in any manner affect those engaged or employed on the work, or which in any way affect the conduct of the work. He/She shall at all times observe and comply with all such laws, ordinances, regulations, orders and decrees; and shall protect and indemnify the City and its' representatives against any claims or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by himself or his employees.

The contractor agrees that in the hiring of employees for the performance of work under any contract or any subcontract no contractor or subcontractor or any person acting on behalf of such contractor or subcontractor, shall, by reasons of

disability, race, color, religion, age, sex, or national origin, discriminate against any citizen of the United States in the employment of labor or workers, who is qualified and available to perform the work.

No contractor, subcontractors, nor any person on his behalf shall, in any manner, discriminate against or intimidate any employee hired or prospective employee to be hired for the performance of work under this contract on account of handicap, race, color, religion, sex or national origin.

1920.00 Prevailing Wage

The contractor or subcontractor will be required to pay to each laborer, worker, or mechanic engaged in work on the project under the contract at the site of the project in the trade or occupation listed not less than the minimum basic hourly rate plus certain fringe benefits, as predetermined by the Department of Industrial Relations of the State of Washington. The current schedules for the prevailing wage for the area in Washington shall be included as part of the contract.

The contractor shall post on the exterior of the contractor's office or at the job site the prevailing wage schedule for contracts in excess of \$10,000.00. The wage schedule shall be placed in a conspicuous manner protected from the weather and elements.

19250.00 Federal Funding Provisions

When the United States Government pays all or a portion of the cost of a project, the Federal Laws must be observed by the contractor, and work shall be subject to the inspection of the appropriate federal agency. Such inspection, should it occur, in no way makes the Federal Government a party to this contract and will in no way interfere with the rights of either party hereunder.

1930.00 Laws, Ordinances and Regulations

The contractor shall be fully informed of, and shall carefully observe and comply with all Federal, State, City and local laws, ordinances, rules and regulations governing priorities, permits, licenses, or inspections, the employment of and payment for all labor and the legal rights of all workers employed in this contract.

The contractor will be required to give all notices, and pay all fees for any and all permits, licenses, or inspections necessary for the prosecution of the work.

1935.00 Restoration of Surfaces

When or where any direct or indirect damage or injury is done to public or private property by or on account of any act, omission, neglect, or misconduct in the execution of the work, or in consequence of the non-execution thereof by the contractor, the contractor shall restore, at his own expense, such property to a

condition equal to that existing before such damage or injury was done, by repairing, rebuilding or otherwise restoring as may be directed, or he shall make good such damage or injury in a manner acceptable to the City.

1940.00 Responsibility for Damage Claims

The contractor and surety shall save harmless the City from all suits, actions or claims of any character brought on account of any injuries or damages sustained by any person or property in consequences of any neglect in safeguarding the work or through the use of unacceptable materials in the construction of the improvement or on account of any act or omission, by the contractor, or his agents.

1945.00 Contractor's Responsibility for Work

Until final written acceptance of the project by the department head or project manager, the contractor shall have the charge and care thereof and shall take every precaution against injury or damage to any part thereof by the action of the elements or from any other cause, whether arising from the execution or from the non-execution of the work.

1950.00 Maintenance of Traffic

When construction interferes with the normal use of a street, temporary traffic facilities shall be provided. For local traffic, facilities for pedestrian and vehicular ingress and egress shall be provided at all times for the property adjacent to the work. For through traffic, the special provisions or plans will designate whether the street will be closed with detours, temporary roads and runarounds provided or whether traffic will be maintained through all or portions of the project.

Temporary traffic facilities shall be furnished, maintained, and shall be included in the prices bid for the various items of work. The provisions of these items and this section shall not in any way relieve the contractor of any of his/her legal responsibilities or liabilities for the safety of the public.

1955.00 Final Cleanup

Before final acceptance the City project manager will inspect the project and the area must be free of all rubbish, excess materials, temporary structures and equipment. All parts of the work shall be left in an acceptable condition to the satisfaction of the City.

1960.00 Authority of City of Poulsbo

The City will decide all questions which may arise as to the quality and acceptability of materials furnished and work performed and as to the rate of progress of the work; all questions which may arise as to the interpretation of the plans and

specifications, all questions as to the acceptable fulfillment of the contract on the part of the contractor, and as to compensation.

1965.00 Acceptance and Final Payment

Upon completion of the project and acceptance by the City, the Central Services Manager must submit Form #REV 31 0020 to the State of Washington, Dept. of Revenue AX-22, Audit Procedures & Administration, Olympia, WA 98504-0090. This form must be returned to the City of Poulsbo approved by the State before retainage is released.

1970.00 Consultant Roster

The Consultant Roster is maintained by the Central Services Department. It may be used in accordance with RCW 39-80. The Consultant Roster can also be accessed from the City website.