



CITY/COUNTY PROCUREMENT MANUAL



Updated November 2009

Purchasing Procedure Manual Table of Contents

MISSION STATEMENT	4
PURCHASING CODE OF ETHICS	5
I. HOW TO PURCHASE	7
A. Federal Funding	7
B. Disadvantaged and Minority Vendors	7
C. Insurance/Licenses/Prevailing Wages	8
1. Certificates of Insurance	8
2. Washington State Contractor’s License	8
3. City of Yakima Business License	9
4. Prevailing Wages	9
a. The Law	9
b. Purpose	9
c. Defined	9
d. Compliance	10
5. Projects under \$2,500	11
D. When to Involve Purchasing	11
E. Exceptions	11
1. Controlled Commodities	12
2. Intergovernmental Purchasing	12
3. Professional and Personal Service Contracts	12
4. Architectural and Engineering Services	12
F. Dollar Limits	13
1. Less Than \$5,000/\$7,500	13
2. \$5,000/\$7,500 to \$24,999 - Informal Price Quotes	13
a. Procedure if Division Obtains Quotes	13
b. Procedure if Purchasing Obtains Quotes	14
3. Greater than \$25,000 - Sealed Bid	14
a. Division’s Duties in Bidding Process	16
b. Purchasing’s Duties in Bidding Process	16
G. Freight	17
1. Shipping Terms	17
2. Receiving Freight	18
a. Get what you sign for	18
3. Damaged Cartons	18
a. Visible Damage	18
b. Concealed Damage	18
H. Urgent and Emergency Purchases - \$5,000/\$7,500 to \$24,999	19
I. Emergency Purchases over \$25,000	20
J. Sole Source Purchases	21
K. Sole Source or Waiver - over \$25,000	22
L. Contract Purchases	22
M. Capitol Outlay – Fixed Assets (City only)	23

M. Capitol Outlay – Fixed Assets (County only)	24
O. Personal Service Contracts	24
P. Professional Service Contracts	25
Q. Architects & Engineers (A&E) Contracts	25
R. Equipment Leases	25
1. Leasing Equipment under \$25,000	25
2. Leasing Equipment over \$25,000	25
II. DISPOSAL OF SURPLUS PROPERTY	25
III. AIMMS PROCEDURES	25
A. How to determine type of requisitions	25
B. How to enter a requisition	26
C. Determining Buyer Number	26
D. P.O. Header Description	26
E. Printing P.O.'s	27
F. Blanket P.O.'s	27
G. Receiving	27
H. Payments	27
DEFINITIONS	29
QUOTATION FORM	31
SOLE SOURCE JUSTIFICATION FORM	32



VISION

- Use a cooperative, collaborative approach in understanding customers' needs while helping to expedite purchasing processes.
- Ensure processes are consistent, timely, efficient, seamless, and promote legal compliance and fiscal responsibility.
- Provide easy to use tools and accessible information which allows customers to provide services to the public.
- Provide services in a professional, knowledgeable, and respectful manner.
- Look for opportunities to be innovative and resourceful and to leverage the combined purchasing power of the City and County.
- Ensure public funds are responsibly spent in a transparent and fair manner.

MISSION

Purchasing facilitates the timely procurement of goods and services to help customers fulfill their missions by providing cost effective opportunities to purchase quality goods and services at the best value while conducting business in a legal, fair, open, and competitive manner.

GOALS

- Maintain and expand relationships with vendors and purchasing organizations, and promote fair and equitable opportunities for vendors.
- Educate City and County departments on the services provided by Purchasing and their legal requirements and obligations.
- Develop seamless procurement processes and procedures that comply with each jurisdiction's legal requirements.
- Develop and utilize cost-effective methods for purchasing using best management practices and technological tools, where appropriate.
- Maximize the efficiency and effectiveness of administrative policies, internal operations, and public information.
- Create and maintain a positive and cooperative culture that respects employees, customers and vendors.
- Hire and retain professional, well trained, and knowledgeable employees.

"QUALITY SERVICE, RESPONSIBLE PUBLIC PROCUREMENT"



City/County Purchasing Division Code of Ethics

The public must have confidence in the integrity of its government. The purpose of this Code of Ethics is to apply and give guidance to all Purchasing Division employees so that they may conduct themselves in a manner which will be compatible with the best interest of themselves and of the City of Yakima and Yakima County.

Proper operation of the City/County Purchasing Division requires that:

- Actions of Purchasing Division employees be impartial and fair.
- Government decisions and policies be made in the proper channels of government structure.
- Public employment not be used for personal gain.
- Purchasing Division employees may neither solicit, accept, or agree to accept any gratuity for themselves, their families or others that results in their personal gain which may affect their impartiality in making decisions on the job. Discounts or concessions realistically available to the general population, items received that do not result in personal gain, and samples to the City/County used for general City/County use are examples of items that are not gratuities. Personal judgement should be used and questions regarding particular problems/events should be referred to the employee's manager.

Goals:

- To protect and enhance the reputation of the City of Yakima, Yakima County and its employees.
- To treat all citizens equally with courtesy and impartiality, and refrain from granting any special advantage to any citizen beyond what is available to all citizens.
- To give efficient, productive, and economic service to the public.
- To avoid real or potential conflicts between private and public duties, remembering that the public interest must be the principal concern.
- To keep confidential all information acquired by reason of one's position, which may be used for personal or financial gain for the employee or other persons.
- To refrain from securing special privileges or exemptions for one's self or other persons that are not available to all citizens.

- To avoid receiving, soliciting or otherwise obtaining anything of value that is greater than nominal intrinsic value from any other public official, employee or citizen which is intended to influence the performance of official duties.
- To disclose to the appropriate authority the nature and extent of any financial or personal interest in a City/County contract, legislation, or in any type of transaction involving the City/County, when participating in the development of or giving an official opinion on the matter.

Purchasing Division Employees shall:

Certify, in writing, that they have read and understand this policy. Non-compliance may result in disciplinary action, per the Civil Service rules at the discretion of City Management.

*Note: Sections in **GREEN** are specific to the City. Sections in **BLUE** are specific to the County. All other sections are applicable to both agencies.*

I. HOW TO PURCHASE MATERIALS, SUPPLIES, EQUIPMENT OR SERVICES

To purchase materials, supplies, equipment or contract for ordinary services, the proper procurement procedure shall be followed. The following is a description of the various categories which determine which procurement process to use.

Dollar thresholds for bidding and quoting are as follows:

CITY

\$ -0- to \$7,499	-	Purchasing involvement not required
\$7,500 to \$24,999	-	3 Quotes
Over \$25,000	-	Formal Sealed Bid

COUNTY

\$ -0- to \$4,999	-	Purchasing involvement not required
\$5,000 to \$24,999	-	3 Quotes
Over \$25,000	-	Formal Sealed Bid

Note: All dollar limits include appropriate sales tax plus freight, handling, and set-up costs.



A. FEDERAL FUNDING

Requisitions for goods or services which involve federal funding must be noted "Federal Funding" in the description section in the requisition using the project number assigned by **Finance/Auditing** in order to insure compliance with appropriate Federal regulations.

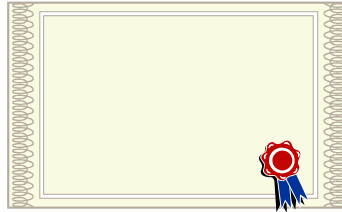
B. DISADVANTAGED AND MINORITY VENDORS

In June 1983, Council passed Resolution No. D-4816, *Women and Minority Business Enterprise Policy*. It is the policy of the City of Yakima that women and minority business enterprises shall have the maximum opportunity to participate in the performance of work relating to the

City's activities. To this end, the City is committed to take all necessary and reasonable steps in accordance with state and federal rules and regulations to ensure women and minority business enterprises the maximum opportunity to compete for and to perform contracts.

C. INSURANCE/LICENSES/PREVAILING WAGES

When hiring anybody to do anything for the City/County, there are four requirements that need to be met.



1. Certificates of Insurance

Before any contractor is allowed to work on City/County property, department/division personnel should contact Purchasing to determine if a Certificate of Insurance is required. If required, the contractor must furnish the City/County with a Certificate of Insurance, naming the City of Yakima and Yakima County as additional insureds with an additional attached endorsement. Certificates of Insurance are a complex issue, so please contact Purchasing! We will happily discuss Certificates of Insurance and what the limits of coverage should be, according to how much risk is involved.

2. Washington State Contractor's License

It is unlawful for the City/County to hire anyone to do construction work on our property that does not have a valid State of Washington Contractor's License - Period. If someone is not properly licensed, DO NOT HIRE THEM. You may look up a Contractor, Electrician or Plumber at: <https://fortress.wa.gov/lni/bbip/>

Department of Revenue Business Records Database:
<http://dor.wa.gov/content/doingbusiness/registermybusiness/brd/>

Verify Workers' comp Premium Status: <https://fortress.wa.gov/lni/crpsi/>

...or call Purchasing and we will look them up for you.

3. City of Yakima Business License

A City of Yakima Business License is also required. The vendor may contact the Building Permits Division at 575-6121 for more information. [Contractors working in Yakima County, but not inside the City Limits are exempt from this requirement.](#)

4. Prevailing Wage Requirements

a) The Law

Chapter 39.12 RCW is the Washington State Public Works Act, also known as the Prevailing Wage Law. This law requires that workers be paid certain hourly wages for all public work and public service maintenance contracts, no matter what the dollar amount. **NO MATTER WHAT THE DOLLAR AMOUNT!**

The Department of Labor and Industries administers the law; the Attorney General prosecutes violators; and the State Auditor ascertains if our policies, practices and procedures meet the requirements of the law.

Owner/Operators that do not have any employees do not need to pay themselves prevailing wages, *however*, they do still need to file Intents and Affidavits with the Department of Labor and Industries and list in section 3 of the form that they are Owner/Operator.

b) Purpose

This law was enacted to protect the employees of contractors performing public works construction/maintenance from substandard earnings, and to preserve local wage standards.

c) Defined

Public Work is all work, construction, alteration, repair or improvement that the City/County has performed. It includes, but is not limited to:

Demolition
Remodeling
Renovation
Maintenance



Painting
Road Construction
Utilities Construction
Janitorial
Offsite prefabrication of ducts, liners & steel products
Production & delivery of gravel, rock, concrete & asphalt

Any worker, laborer or mechanic performing public work must be paid prevailing wages. It does not apply to work that is clerical, executive, administrative or professional.

d) Compliance

- 1) *Prior to Getting an Estimate or a Quote* - Notify vendor that they are to pay prevailing wages. More information may be obtained by the vendor from the Department of Labor and Industries. They may also contact Purchasing at 509 575-6093 and we will provide them with a copy of the most recent wage rates listing for Yakima County. The list can also be obtained online at :
www.lni.wa.gov/TradesLicensing/default.asp
- 2) *After a Vendor has been selected* - The vendor is required to file a "Statement of Intent to Pay Prevailing Wages" with the Department of Labor and Industries. Most vendors file online at:
<http://www.lni.wa.gov/TradesLicensing/PrevWage/IntentAffidavits/File/default.asp> There is a \$40 fee that the Vendor will have to Pay L & I, and the completed Intents are also available online. *Note:* The vendor must insert the City/County Purchase Order number in the contract number box on the Statement form.
- 3) *After the work is completed* - The vendor must also file an "Affidavit of Wages Paid" with the Department of Labor and Industries. There is another \$40 fee that the Vendor will have to pay to L & I, and completed Affidavits are also available online. . *Note:* The vendor must insert the City/County Purchase Order number in the contract number box on the Statement form.

Payment will not be released until certified intents and affidavits have been received.

- 4) **CITY ONLY - Labor & Industries Filing for Projects Under \$2,500**
Purchasing has signed the City up with the Department of Labor and Industries to administer the intents and affidavits ourselves, for projects under \$2,500. **There is no filing fee to the vendor.** Purchasing will

collect and file the combined intent and affidavit forms. The vendor will need to file one of these for each job.

- 5) **CITY ONLY** - On Public Work that is between \$7,500 and \$35,000 Purchasing will take care of all the above requirements.

D. WHEN TO INVOLVE PURCHASING

1. Unit cost exceeds \$7,500 for the City and \$5,000 for the County.
2. Combined total of identical items purchased at the same time or within a calendar year's time, in which the cost exceeds \$7,500/\$5,000 or when it is determined by Purchasing that volume discounts can be obtained by combining City/County-wide usage (i.e. office supplies, laundry services, janitorial paper products, etc.).
3. Items that are designed, or intended to be used together (i.e., water meter covers and lids), and the cost exceeds \$7,500/\$5,000.

E. EXCEPTIONS

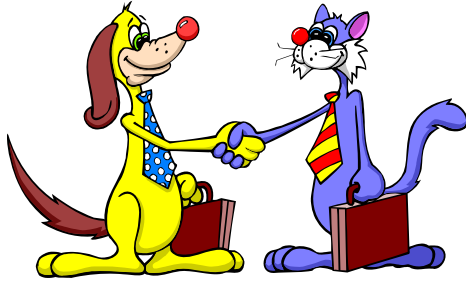
Exceptions to the City Manager or Board of County Commissioner threshold for quote/bid requirements are as follows:

1. Controlled Commodities

There are items which are purchased that fall under the quote dollar limit which still require approval from designated people. They are:

- Cell phones, telephone equipment, pagers - Electronics Manager
- Computers and related equipment, fax machines, copiers - Info. Systems. Manager
- Anything Technology Services is requested or required to install, connect, service, maintain or support - Use Technology Procurement Request (TPR) process for these purchases
- Anything purchased using Equipment Rental and Revolving (ER&R) funds must be purchased through Public Services

2. Inter-Governmental Cooperative Purchases



RCW 39.34.030 permits governmental agencies to utilize other entities contracts without going to bid. Contact Purchasing to determine if interlocal purchasing is feasible for our division's particular need. The following criteria needs to be met:

- There must be an Interlocal Agreement, approved by **Council**, or **Board of County Commissioners** and signed by both parties, on file in Purchasing.
- It must be a current contract.
- It must have been advertised and competitively bid.
- The government entity, and the vendor, must be willing to share their contract pricing.
- A complete copy of the contract must have been reviewed by Purchasing.
- If one-time purchase, Purchasing will place the order. If ongoing, Department may request permission to order themselves.

3. Professional and Personal Service Contracts

The **City Manager/Board of County Commissioners** approve all of these types of service contracts - no matter what the dollar amount. Legal must review prior to their approval. See page 25 for procedure.

4. Architectural and Engineering Services

The **City Manager/Board of County Commissioners** approve all of these types of contracts - no matter what the dollar amount. Legal must review prior to his approval. See page 25 for procedure.

F. DOLLAR LIMITS

1. Purchases Less Than ~~\$7,500~~/~~\$5,000~~

It is not required that Purchasing be involved with any purchases under ~~\$7,500~~/~~\$5,000~~ except as mentioned above.

2. ~~\$7,500~~/~~\$5,000~~ to \$24,999 - Informal Price Quotes

Division personnel may obtain the informal quotes (phone or written) using the Quote Form provided by Purchasing on page 31. DIVISION PERSONNEL DO NOT HAVE THE AUTHORITY TO CONFIRM (PLACE) THE ORDER. This is done by Purchasing after reviewing the quotes. If your quote is of a complex nature, let Purchasing obtain the quotes for you to ensure everything is apples-to-apples.

a. Procedure for division personnel to obtain quotes:

- 1) Requesting division personnel contacts at least three vendors for quotations. (Be sure technical information defines acceptable quality and insure vendors are quoting on equal and comparable items, etc.) All vendors must be provided the same information. If one vendor offers an acceptable alternate, **it must be re-quoted using the alternate specifications.**
- 2) The City/County will not pay for any technical information from the vendor. If the information is to be shared with other vendors, it must be stated so up front.
- 3) No on-site demonstrations or delivery of preview/trial merchandise should be arranged without prior advice from the Purchasing Division.
- 4) Complete the "Quotation Form" (Attachment A). Obtain freight pricing, if not indicated by vendor, on the form. Include first and last name of person contacted and phone number.
- 5) Enter a requisition into AIMMS/Cayenta, use a buyer number of a Purchasing Division employee or select the proper Cayenta template and indicate recommended vendor on your requisition form. Quotation forms should then be routed to Purchasing.
- 6) Vendor selection is made by Purchasing on the recommendation of the requesting division personnel, as well as price, quality and product availability.
- 7) Order is confirmed and purchase order is issued by Purchasing.

8) Quote documentation is attached to purchase order and filed in Purchasing.

b. Procedure if Purchasing Obtains Quotes

- 1) Division enters requisition into AIMMS/Cayenta use a buyer number of a Purchasing Division employee or select the proper Cayenta template. Minimum specifications should be clearly stated along with any other pertinent information.
- 2) Purchasing contacts three vendors for quotations.
- 3) Order is confirmed and purchase order is issued by Purchasing.
- 4) Quote documentation is attached to purchase order and filed in Purchasing.

4. Greater than \$25,000 - Sealed Bid

Sealed bids are required whenever the cost of materials, supplies, equipment or services exceeds \$25,000. The City of Yakima is governed by City Charter and Yakima County is governed by R.C.W.

Article VI, Section 6 of the Yakima City Charter:

"SECTION 6. Any purchase of supplies, materials, equipment or services, except for public work or improvement, where the cost thereof exceeds \$25,000 shall be made upon call for bids in the same method and under the same conditions as required herein on a call for bids for public work or improvement. This monetary limit for the purchase of supplies, material, equipment and services may be increased from time to time, but no more often than one-time in any twenty-four month period, by ordinance enacted by the vote of no less than a two-thirds majority of the City Council members, to any amount allowed by state law. In the event of an emergency declared by resolution of the City Council, any purchase of supplies, material, equipment or service may be made without calling for bids."

RCW36.32.245 Competitive bids -- Requirements -- Advertisements
-- Exceptions.

(1) No contract for the purchase of materials, equipment, or supplies may be entered into by the county legislative authority or by any elected or appointed officer of the county until after bids have been submitted to the county. Bid specifications shall be in writing and shall be filed with the clerk

of the county legislative authority for public inspection. An advertisement shall be published in the official newspaper of the county stating the time and place where bids will be opened, the time after which bids will not be received, the materials, equipment, supplies, or services to be purchased, and that the specifications may be seen at the office of the clerk of the county legislative authority. The advertisement shall be published at least once at least thirteen days prior to the last date upon which bids will be received.

(2) The bids shall be in writing and filed with the clerk. The bids shall be opened and read in public at the time and place named in the advertisement. Contracts requiring competitive bidding under this section may be awarded only to the lowest responsible bidder. Immediately after the award is made, the bid quotations shall be recorded and open to public inspection and shall be available by telephone inquiry. Any or all bids may be rejected for good cause.

(3) For advertisement and formal sealed bidding to be dispensed with as to purchases between five thousand and twenty-five thousand dollars, the county legislative authority must use the uniform process to award contracts as provided in RCW 39.04.190. Advertisement and formal sealed bidding may be dispensed with as to purchases of less than five thousand dollars upon the order of the county legislative authority.

(4) This section does not apply to performance-based contracts, as defined in RCW 39.35A.020(4), that are negotiated under chapter 39.35A RCW; or contracts and purchases for the printing of election ballots, voting machine labels, and all other election material containing the names of candidates and ballot titles.

(5) Nothing in this section shall prohibit the legislative authority of any county from allowing for preferential purchase of products made from recycled materials or products that may be recycled or reused.

(6) This section does not apply to contracting for public defender services by a county.

[2007 c 88 § 1. Prior: 1993 c 233 § 1; 1993 c 198 § 7; 1991 c 363 § 62.]

NOTES:

Purpose -- Captions not law -- 1991 c 363: See notes following RCW 2.32.180.

The responsibilities for the bidding process are shared by Purchasing and the Division. The responsibilities are as follows:

a. Division's Duties in the Bidding Process

- 1) Determine the need.
- 2) Notify the Finance Department regarding any budget transfers to cover funding.
- 3) Complete AIMMS/Cayenta requisition using buyer number of Purchasing personnel, or select proper requisition sequence.
- 4) Route technical specifications as well as a list of potential vendors to Purchasing. **(Do not re-type our boilerplate)**
- 5) Perform final review of technical specifications and be prepared to answer technical questions from vendors. Any information that needs to be disseminated to all vendors shall be done as an addenda issued by Purchasing. If applicable, attend pre-bid conference and answer technical questions.
- 6) After bids have been opened, recommend award on form provided. If recommendation for award is being made to anyone other than the low bidder, attach memo stating specific reasons why the low bid is not acceptable. Don't reveal status of your recommendation to the vendor. Refer them to Purchasing.

b. Purchasing's Duties in the Bidding Process

- 1) Receive technical specifications from division.
- 2) Assemble bid package and check for legalities.
- 3) Route to division for final review.
- 4) Arrange pre-bid conference, if necessary to invite contractors to discuss bid requirements.
- 5) Establish bid opening date and place ad in newspaper (the County Commissioner's office places their ads).

- 6) Distribute bid packages to vendors and maintain accurate vendor records.
- 7) Conduct bid opening with Clerk.
- 8) Tabulate bids and verify responsiveness.
- 9) Review recommendation of award.
- 10) If Purchasing agrees with division's recommendation, bid is signed and routed to [City Manager](#)/[Board of County Commissioners](#) for approval.
- 11) Place order or set up service purchase order for ongoing requirements.
- 12) Administer bid for the life of the contract, i.e. price increases, lapses in insurance coverage, bonding, prevailing wage, etc.

When things go wrong, don't remain silent! Contact Purchasing and let us remedy the problem. Remember to DOCUMENT, DOCUMENT, DOCUMENT!! Even if you have had on-going problems with a vendor, we will have a very hard time canceling a contract unless we have proper documentation justifying the problem.



G. FREIGHT

1. Shipping Terms

Whenever you are shipping an item that will incur freight charges, always request that it be shipped *FOB destination, freight prepaid*. What this means is that the carrier owns the merchandise until it reaches your door and there won't be a separate invoice for freight. If anything should happen to the merchandise during shipping, the carrier is responsible for filing the claims, instead of the City/County.

FOB determines at what point the ownership transfers. If an item is FOB origin, the City/County owns the merchandise from the point of shipping while it is in transit.

Freight prepaid or collect refers to who is responsible for paying shipping charges - the City/County or the seller.

2. Receiving Freight

It is the responsibility of the individual who signs for UPS or carrier's delivery receipt to properly receive all cartons they are signing for. Anyone who accepts and signs for receipt of goods, acknowledges that the item was received and accepted as delivered.

a. Get what you sign for

- 1) Confirm the package or carton is being delivered to the proper location.
- 2) Verify the number of cartons, crates or pieces is correct according to quantities on the packing slip.
- 3) Sign the delivery slip legibly so that when you call Purchasing two weeks later and claim you haven't received the package, we can track you down!
- 4) Open packages and verify order is correct.

3. Damaged Cartons

a. Visible Damage

Any person receiving freight must make a notation on the carrier's delivery receipt of apparent damage to packages. The specific type of damage should be stated on the delivery receipt and obtain the driver's signature (not just initials) on your copy of the receipt. This is an example of why it is important that freight be FOB destination so that the vendor files all claims.



b. Concealed Damage

If the shipment of goods received showed no sign of damage upon receipt, but damage to the contents is found upon opening, concealed damage exists.

Action for concealed damage:

- 1) Call the carrier immediately upon discovery of the damage and request an inspection. Notate the date and the person contacted.
- 2) All shipping cartons should be retained for inspection on any damage.
- 3) When making a request for an inspection, advise the carrier whenever possible what the value of the damaged goods is. If the value is less than \$50.00, most carriers will frequently waive inspection. Indicate person contacted on the claim form.
- 4) When an inspection is made, specific damages should be notated by both parties and signed by both on the inspection report.

H. Urgent and Emergency Purchases - \$7,500/\$5,000 to \$24,999



There are two types of emergency purchase orders - Urgent and Emergency.

1. **Urgent purchases** occur when an urgent situation arises that could have been anticipated and pre-planned.

Example: Division runs out of special form
Reason: Did not watch supply on hand

2. **Emergency purchases** occur when an emergency situation arises that was unforeseen and must be remedied immediately.

Examples: Acts of God, i.e., flood damage
Machinery that is critical to the operation of the City/County and rendered out of service

Yakima County has two positions that can declare emergencies. The Public Works Director and the Technology Services Director. Contact them for guidance/direction on how to proceed.

Procedure to obtain an Urgent/Emergency Purchase Order:

1. Division recognizes an urgent/emergency situation has developed.
 - a) Division estimates cost to correct the emergency.
 - b) Identifies potential vendor to perform service/supply materials. **(DON'T FORGET PREVAILING WAGES AND INSURANCE...they still apply!)**
2. **Division staff obtains appropriate approval from Division Manager/ Department Director prior to contacting Purchasing.**
3. Buyer enters requisition into AIMMS system and contacts Purchasing.
4. Purchasing will ask for the vendor name, reason for emergency, materials required, anticipated cost and AIMMS requisition number.
5. Once provided, Purchasing determines the validity of the request. If approved, Purchasing assigns an urgent/emergency purchase order number.
6. Division converts the approved requisition into a PO and **enters the urgent/emergency purchase order number in the general purchase order description on the header page of the PO.** Failure to record the emergency PO number in the correct location may result in the issuance of an Improper Purchase Procedure Notice (Nastygram).



7. If vendor notated emergency PO number on the invoice, Finance will process for payment. If vendor did not notate PO number on the invoice, the invoice is mailed to Accounts Payable, then a copy is routed to the Division for the AIMMS PO number. Division then routes copy with PO number back to Accounts Payable for payment.

NOTE: Division Managers will receive an annual report to review urgent/emergency purchase requests received from their division.

I. Emergency Purchases over \$25,000

Yakima County has two people that can declare emergencies through the Board of County Commissioners: The Public Works Director and the Technology Services Director. Contact them for further guidance/direction on how to proceed.

If an emergency situation exists and involves the purchase of materials or services that are over the \$25,000 sealed bid limit:

1. After receiving approval from their Department Director, the division must contact Purchasing on the next business day to obtain an emergency purchase order number.
2. The division must initiate and prepare necessary information to advise [City Council/Board of County Commissioners](#) that there had been an emergency situation requiring immediate action.
3. The division should key a requisition into [AIMMS/Cayenta](#) and enter the emergency purchase order number in the header page description when the PO is created. A copy of the adopted resolution authorizing the purchase should be routed to Purchasing and the Finance Department, referencing the emergency purchase order number.

J. Sole Source Purchases

On a case by case basis, the bid or quote requirement may be waived and a sole source purchase approved. There should be careful deliberation before going to a sole source as this type of purchase eliminates competition.

A sole source purchase may be approved if one of the following conditions are met:

1. Compatibility to existing City/County standard or to existing equipment, inventory, systems, data, programs or service. Describe. List efforts to find other sources.
2. Licensed or patented product with only one dealer.
3. Only authorized Service Provider, Repair and/or Warranty Services. Describe.
4. Unique design: Requires unique features that are essential, aesthetic requirements, or not practical to match to existing design or equipment. Describe.

5. Used item: Surplus item bought through an auction or distributor that would represent good value and is advantageous to the City/County. Describe.
6. Delivery Date: Only one supplier can meet required delivery date: Describe and list efforts to find other suppliers to meet the delivery date.
7. Project or Research Continuity: Product, systems, services or data must comply with an ongoing project, research, data, testing or analysis. Results would be interrupted or compromised without continuity. Describe.

To obtain sole source purchase approval:

1. Fill out the Sole Source Justification Form (attached at the end of this manual) and forward to Purchasing for recommendation. Purchasing will forward to **City Manager/Board of County Commissioners** for approval. Enter a requisition into **AIMMS/Cayenta use a buyer number of a Purchasing Division employee or select the proper Cayenta template.**
2. Once approved, **Purchasing will place the order.**

Authority to Approve Sole Source Purchases

City Manager..... Over \$7,500 to \$24,999

City Council.....Over \$25,000

Board of County CommissionersOver \$5,000

K. Sole Source or Waiver over \$25,000

The formal bid limit may only be waived by City Council or the Board of County Commissioners. A sole source or waiver over \$25,000 must be approved via resolution. The following steps to obtain approval are:

1. The division must contact Purchasing to discuss if a sole source situation exists.
2. The division should initiate a request for "Legal Opinion or Action" supported by the necessary information justifying a sole source exists and route to the Legal Department. Fill out and include the Sole Source Justification Form with your request.

3. The division then forwards a copy of the adopted resolution to Purchasing, and enters a requisition into [AIMMS/Cayenta](#) using buyer number of Purchasing personnel.
4. Once approved, **Purchasing will place the order.**

L. Contract Purchases

Once Purchasing has set up/identified a contract for a particular item(s), Divisions are allowed to place the order themselves, as long as they notate **in the description field of the header page of the PO**, the name and number of the contract that they are using, i.e. bid number, sole source, and verifying that the vendor is charging them the correct price. Entering the contract number in the header page will enable Purchasing, while auditing purchases, to tell at a glance if the purchase was covered under proper justification, or not. Not identifying which contract the item(s) are covered under will result in an Improper Purchase Procedure form being sent to your Department Head.

M. Capital Outlay - Fixed Assets (CITY ONLY)

NOTE: The following is a City of Yakima Finance Department procedure. Contact Finance if you need assistance.

A fixed asset is a specific piece of real or personal property which meets all of the following characteristics:

- Unit cost of \$5,000 or more, including tax, set-up and freight
- Tangible in nature, possesses physical substance,
- Expected useful life of longer than one year

There are several types of assets that are excluded from the definition of capital outlay equipment no matter how much they cost. These are:

1. Inventories - will not be considered a capital outlay equipment if held for resale.
2. Spare parts - will not be considered a capital outlay equipment.

If the need arises to purchase capital outlay equipment that is not authorized in the final budget, the Department Director must obtain City Manager approval. A Special Use Request Form obtained from the Finance Department is required for this type of purchase.

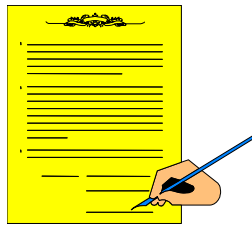
It is the City Manager’s policy that the capital outlay line item account in the department/division individual budgets must not be exceeded by 10%, unless specifically approved by the City Manger.

Note: The Purchasing Division does not monitor conformance of capital outlay requests with budget authorizations. It is the responsibility of the Division Manager to route requisitions to Purchasing that are approved expenditures only for which appropriate funding is available.

N. Capital Outlay - Fixed Assets (COUNTY ONLY)

NOTE: The County has its own Fixed Asset Policy. Please see Connie Willman in the Commissioners office for further details. 574-1401

O. Personal Service Contracts



A “Personal Service Contract” is an **employment contract** with an independent contractor for providing personal services to the City/County. Personal Service means hiring a consultant to provide professional or technical expertise to accomplish a specific study, project, task or other work statement according to RCW 39.29.006.

At the City Managers discretion, Personal Service Contracts shall be bid/quote through Purchasing when the total cost in a calendar year’s time exceeds \$25,000.

The Legal Department must review and the City Manager/Board of Commissioners must sign all Personal Service Contracts, regardless of dollar amount.

Examples:

- Artistic Designs
- Class Instructions for Parks Division Activities
- Referees

P. Professional Service Contracts

“Professional Service Contract” means an agreement with an independent contractor for providing professional services to the City. The City/County does not provide direction to the provider other that the circumstances that are stated in the terms of the contract.

There is not a state law requiring Professional Service Contracts over \$25,000 to be bid.

At the City Managers discretion, Personal Service Contracts shall be bid/quote through Purchasing when the total cost in a calendar year's time exceeds \$25,000.

The Legal Department must review and the City Manager/Board of Commissioners must sign all Professional Service Contracts, regardless of dollar amount.

Examples:

- Medical and Dental
- Legal Services
- Management Consulting
- Accounting and Auditing

Q. Architect and Engineer (A & E) Contracts

A & E's are hired by following the rules in RCW 39.80. See Board of County Commissioners Resolution 531-2007, Policy Regulation No. 28-B for further details.

R. Equipment Leases

- 1. Bids are not required on equipment leases, however Legal must review and the City Manager must approve all equipment leases.**
 - a. Legal Review - Send to Legal for review.
 - b. Fiscal approval - review proposals with the Finance Dept. prior to budgeting the expense. Lease purchases are to be budgeted and accounted for as if the total expense is to be incurred when the item is purchased.
 - c. Lease approval - City Manager*/Board of County Commissioners must approve all Equipment Leases.

*City Manager may opt to send lease to Council for approval.

- d. To exercise the purchase option of a lease, route to City Manager/Board of County Commissioners for approval.

II. DISPOSAL OF SURPLUS PROPERTY

Refer to Disposal of Surplus Property Policy.

III. AIMMS PROCEDURES

The following procedures are regarding how AIMMS relates to Purchasing Procedures. For complete AIMMS instruction, check the AIMMS Procedure Manual.

A. How to determine type of requisitions

The first step in creating an AIMMS requisition is determining the type of requisition needed. In the AIMMS system there are three types of requisitions: Stock, Direct and Service. Contact Purchasing if there are any questions regarding which type of requisition to use.

1. **Stock Requisitions** - This type of requisition is only for use by those who have storerooms. Their intended use is for replenishing stock items only.
2. **Direct Requisitions** - This type of requisition should be used when products are to be purchased, other than stock or service items.
3. **Service Requisitions** - This type of requisition should be used when receiving services from a vendor. For example: lawn maintenance, advertising, etc. Service requisitions can also be used when making multiple purchases from one vendor over a period of time. The time period can be anywhere from one week to one year, within the same calendar year.

B. How to enter a requisition

Once the type of requisition needed has been determined, enter the necessary information into the system, as prompted, then file. It is important to put a complete description of the items that are being ordered into the requisition description line. This should include vendor's product number (for direct/stock items), color, style, etc. The quantity required and the estimated cost must also be included in the requisition. If additional information or comments are required, enter this information in the general notes section of the requisition. Having this information available will assist the system buyers in processing orders and assigning purchase order numbers more quickly and efficiently.

C. Determining Buyer Number

The dollar amount of the requisition will determine which buyer will be assigned. If the total dollar amount of the requisition is under \$7,500 (see "Involve Purchasing When" on page 11) assign your division's buyer number to the requisition for purchase order creation. If the total dollar amount of the requisition is \$7,500 or over, enter the buyer number of a Purchasing Division employee and Purchasing will place the order.

D. P.O. Header Description

This is an often overlooked and misused area of the purchase order. Use this area for justification of placing an order yourself instead of routing the requisition through Purchasing. Purchasing checks this area to determine if you're going to get a nastygram or not. This is not only for Purchasing's benefit, but also to satisfy State Auditor's requirements!

Use this area to record:

1. The bid or quote number of any purchases made off a contract that Purchasing administers.
2. Emergency P.O.'s, State Contracts, approved sole source purchases, specialized repair parts or any other exceptions to quoting.

Don't use this line to record the name of the vendor, employee name or other non-Purchasing information.

E. Printing PO's:

Some vendors require a hard copy of the purchase order before they will complete the processing of your order. PO's can only be printed by the Purchasing Division. If you are in need of a hard copy, contact Purchasing with the purchase order number and we will print it for you.

F. Blanket PO's

Blanket purchase order numbers are sometimes assigned when contracts are involved. Purchasing will assign these numbers after meeting with the divisions and evaluating the situation to determine what will work best for the division. Purchasing will set up the file and the assigned number should then be referenced in the area provided in the requisition. It will then track all of the purchases made from that vendor.

G. Receiving

Finance can't pay a vendor until the requisitioner has received the goods in AIMMS. There are two ways to receive, depending on the type of purchase order.

1. Dock Receipts - These are used to receive items that are ordered by stock or direct requisitions/purchase orders. Once the items ordered are delivered or received, the division should receive the items into the computer.

2. Service PO Approval Entry - This is the method used for approving dollar amounts to be released for payment when a service requisition/purchase order is used.

H. Payments:



When ordering from vendors, tell the vendor to send the invoice to:

City of Yakima
Accounts Payable
129 North Second Street
Yakima WA 98901
509-575-6070

Yakima County
(Will be determined at time of order. Usually
the Satellite Buyer.)

Also, notify the vendor it is required that the **PO number must be on all invoices.** All questions regarding payments should be directed to the various Accounts Payable Divisions listed above.

DEFINITIONS

Acknowledgment -- A form used by a vendor to advise a purchaser that his order has been received. It usually implies acceptance of the order.

ARO -- After receipt of order.

As Is -- A term indicating that goods offered for sale are without warranty or guarantee. The purchaser has no recourse on the seller for the quality or condition of the goods.

Bill of Lading -- A carrier's contract and receipt for goods by which he agrees to transport from one place to another and to deliver to a designated person.

Blanket Purchase Order -- A purchase order which is issued for a specific period of time for the purpose of reducing the number of small orders. All Blanket Purchase Orders are issued by Purchasing.

Capital Outlay -- Fixed assets of which the value exceeds \$5,000 including tax and freight.

Cash Discount -- A discount offered to the City/County to encourage payment of an invoice on or before its due date.

Change Order -- Purchaser's written authority to the supplier to modify or add to a purchase order. Change orders are created by Purchasing (other than Capital Improvements).

Controlled Commodity -- Items which may fall under the quote dollar limit that require approval from designated people, i.e. office products, communication equipment and computer equipment.

Emergency Purchases -- Emergency purchases occur when an emergency situation arises that was unforeseen and must be remedied immediately.

Expediting -- Attempt to reduce the contractually agreed upon delivery time of a product.

F.O.B. (Freight on Board) -- The stated F.O.B. point is usually the location where title to the goods passes from the seller to the buyer. The seller is liable for transportation charges and the risks of loss or damage to the goods up to the point where title passes to the buyer. The buyer is liable for such charges and risks after passing of title.

Lead Time -- The period of time from date of ordering to the date of delivery which the buyer must reasonably allow the vendor to prepare goods for shipment.

Packing List -- A document which itemizes in detail the contents of a particular package or shipment.

Payment Discount -- See Cash Discount.

Personal Service Contract -- An employment contract with an independent contractor for the rendering of personal services to the City/County. The City Manager/Board of County Commissioners must sign all Personal Service Contracts.

Point of Origin -- The point at which the title passes to the buyer.

Prepaid -- Transportation charges that have been or are to be paid at the point of shipment.

Professional Service Contract -- An agreement with an independent contractor for the rendering of professional services to the City/County. The City/County does not provide direction to the provider. The City/County states a goal and objective and the provider, under his own direction, accomplishes the goal.

Public Work -- A project including all work, construction, alteration, repair or improvement other than ordinary maintenance.

Request For Proposals -- Similar to the formal bid process, except that factors other than price are used to award the contract.

Sealed Bid (Formal Bid) -- An advertised solicitation for a requirement in which the cost exceeds the \$25,000 bid limit. The bids are opened during a public opening.

Specification -- A clear, complete, and accurate statement of the technical requirements descriptive of a material, an item, or a service.

Standardization -- When it is necessary to standardize to one type of item because of uniformity or interchangeable parts issues. Authorization for standardization is obtained from Purchasing.

Urgent Purchase -- Those purchases calling for immediate action that could have been anticipated prior to the need becoming urgent.

Visible Damage -- Broken cartons, crushed or wet cartons, or markings which indicate that the shipment of goods may have received rough treatment in transit with consequent damage to the contents.



City of Yakima/Yakima County



SOLE SOURCE JUSTIFICATION

Your Name:	Your Department:
Your Phone:	Requisition Number:
Requested Vendor:	Cost Estimate:
Vendor's Address:	Vendor E-Mail & Website:
Vendor Contact Name:	Vendor Phone:

1. Describe the product, service or system. Attach all information:

2. Below are eligible reasons for sole source. Check all boxes below that apply to your sole source situation and attach any useful documents to justify the sole source.

- Compatibility to existing City/County standard or to existing equipment, inventory, systems, data, programs or service.** Describe. List efforts to find other sources.
- Licensed or patented product with only one dealer.** Describe. Attach documentation if available, to confirm your source is the only dealer or supplier for this region.
- Only authorized Service Provider, Repair and/or Warranty Services.** Describe.
- Unique design:** Requires unique features that are essential, aesthetic requirements, or not practical to match to existing design or equipment. Describe.
- Used item:** Surplus item bought through an auction or distributor that would represent good value and is advantageous to the City/County. Describe.
- Delivery Date:** Only one supplier can meet required delivery date: Describe and list efforts to find other suppliers to meet the delivery date.
- Project or Research Continuity:** Product, systems, services or data must comply with an ongoing project, research, data, testing or analysis. Results would be interrupted or compromised without continuity. Describe.
- Other:** Please describe:

