

CITY OF LIBERTY LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 01-021

A RESOLUTION OF THE CITY OF LIBERTY LAKE, WASHINGTON,
ADOPTING PURCHASING POLICIES AND PROCEDURES.

WHEREAS, the City of Liberty Lake will incorporate on August 31, 2001; and

WHEREAS, the City Council of the City of Liberty Lake has determined that it is in the best interest of the City to adopt a policy for purchases;

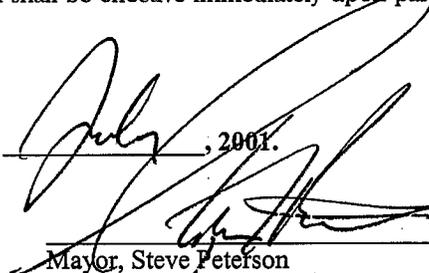
NOW, THEREFORE, be it Resolved by the City Council of the City of Liberty Lake, Washington, as follows:

Section 1. Adoption of Purchasing Policies and Procedures. Purchasing Rules for the City of Liberty Lake are hereby adopted and attached as Exhibit A.

Section 2. Severability. If any section, sentence, clause or phrase of this resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not effect the validity or constitutionality of any other section, sentence, clause or phrase of this resolution.

Section 3. Effective Date. This Resolution shall be effective immediately upon passage by the City of Liberty Lake City Council.

Passed by the City Council on this 2 day of July, 2001.



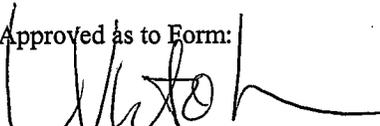
Mayor, Steve Peterson

ATTEST:



Interim City Clerk, Arlene Fisher

Approved as to Form:



Interim City Attorney, L. Victoria Meier

EXHIBIT A

CITY OF LIBERTY LAKE

PURCHASING POLICIES

AND

PROCEDURES

July 2, 2001

(Rev. 6-29-01, 1:35 PM)

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I. PURCHASES OF SUPPLIES, MATERIALS, AND EQUIPMENT

A. APPROVAL AUTHORITY

AMOUNT	APPROVAL AUTHORITY	PROCEDURE
0 - \$100	Budget Authority	Invoice
\$100 - \$499	City Administrator	P.O. and Invoice
\$500 - \$5,000	Mayor	P.O. and Invoice
\$5,001 - \$15,000	City Council	Tele/written quotes from Roster of Vendors or Competitive Bid P.O. and Invoice
Over \$15,000	City Council	Competitive Bid P.O. and Invoice

B. PROCESS

Purchase Orders must be used for purchases over \$100. Direct bill accounts may be established and payment authorized by invoice only for purchases of \$100 or less.

The purchase order is a legal contract between the City and a vendor specifying the scope and cost of the equipment, materials, and supplies.

1. The original copy is provided to the vendor, either prior to purchase or as a remittance copy.
2. The second copy is provided to the Finance Director at the time the purchase is made to encumber funds.
3. The third copy is retained by the department making the purchase until the items purchased have been received. After the items are received and determined to be satisfactory, the copy is attached to the invoice. Signed by the authorizing official attesting to the satisfactory receipt of items as ordered, and provided to the Finance Director for preparation of vendor payment.
4. The Finance Director retains all copies of documentation for at least a seven-year period for audit by the State Auditor and for reference, should other questions arise.

Purchases between \$500 and \$5,000:

Three telephone quotes are required for purchases of \$500 or more. Best practice purchasing will be used to assure that the City obtains quality goods or services at reasonable prices. Spreading purchases out over several months or making separate single purchases, when the total of the purchases is greater than \$500, circumvents the policies set forth below and is not authorized.

Purchases between \$5,001 and \$15,000:

Telephone or written quotations will be obtained from vendors who have requested to be listed on the City's Roster of Vendors for Materials, Supplies, and Equipment, in accordance with the process listed on Exhibit "1." A purchase order or contract is required for payment to the lowest responsible bidder.

In the event sufficient qualified vendors are not on the City's Roster of Vendors, formal competitive sealed bids are required.

At least every two months, the City using vendor lists to award contracts valued at more than \$5,000, but not more than \$15,000, must post a list of contracts awarded. The list must contain the name of the vendor, the amount of the contract, a brief description of items purchased, and the date of the award.

Purchases over \$15,000:

Formal, competitive sealed bids are required pursuant to RCW 35.23.352.

Advertisement of Request for Bid

The department initiating a purchase shall prepare an Advertisement for Bid containing:

- a. Item(s) or services to be purchased.
- b. Delivery time requirements, including Point of Delivery.
- c. Bid bond requirements, if applicable.
- d. Terms of payment, if appropriate.
- e. Date and time of bid opening.

- f. The location where detailed specifications are available for public inspection and the cost to obtain a set of plans and specifications.
- g. Name and telephone number of City contact person.
- h. Notice that the City reserves the right to reject any and all bids.
- i. Notice that bids received after the scheduled bid opening will not be considered.
- j. Notice that all bid documents are a public record and subject to disclosure.

The Advertisement for Bid must be posted in City Hall and published in the City's official newspaper by the City Clerk once a week for two consecutive weeks with the last publication being at least 13 calendar days prior to the last date upon which bids will be received.

The Advertisement for Bid may be mailed to a listing of vendors from the City's Roster of Vendors by the initiating department.

If changes or clarifications to the specifications are issued during the bid period, the initiating department must send a notice to all prospective bidders and file a copy with the City Clerk.

Request for Bid Log

The initiating department must prepare a log and record containing the following information: (the log is a formal public record to be filed with the City Clerk after award of the contract or purchase order.)

- a. The name, address, and phone number of every vendor who received a copy of the Advertisement for Bid and Detailed Specifications.
- b. If communications with prospective bidders occur during the bid period, record the substance of the communication on the bid log.
- c. The date and time any changes or clarifications to the specifications are sent to bidders.

Bid Opening

The City Clerk, or his/her designee, shall be present at all bid openings to verify the date and time of bid opening; open each bid proposal; announce the bids of each submitter; record the unit prices, sales tax, delivery charge if applicable,

and total cost of each bid proposal. A tabulation of bid results will be prepared by the City Clerk and made available to the public following the formal bid opening.

Bid Award

The requesting department will evaluate the bids, determine, and document the lowest responsible bidder, prepare a purchase order or contract, and submit the documentation to the City Administrator for submission to the City Council. If a contract is required, secure the City Attorney's approval as to form. Contract or purchase order documents are signed by the Mayor after Council approval.

After the purchase order or contract is issued, a copy of the log should be submitted to the Finance Director with the encumbering copy of the purchase order/contract and the unsuccessful vendors should be notified.

Public Record

Immediately after opening of the bids, the original copy of every bid proposal and a copy of the bid log should be filed with the City Clerk for retention; the bids are a public record. A copy of the proposal of the successful bidder should remain with the initiating department until completion of the purchase and/or service.

II. PUBLIC WORKS CONTRACTS

A. Approval Authority

AMOUNT	APPROVAL AUTHORITY	PROCEDURE
0 - \$499	Budget Authority	Contract/P.O.
\$500 - \$5,000	City Mayor	Contract/P.O.
\$5,001 - \$20,000	City Council	Contract/P.O.
\$20,001 - \$30,000	City Council	Contract/P.O.
\$30,001 - \$100,000	City Council	Small Works Roster or Competitive Bid
Over \$100,000	City Council	Competitive Bid

Request for Payment if satisfactory, attach the invoice, and submit the documentation to the Finance Director for payment.

B. Procedure

- 1. Projects larger than \$5,001 that will not exceed \$20,000 and a single craft or trade is involved or it is a street signalization project and projects that will not exceed \$30,000, and more than one craft or trade is involved.**

Three telephone quotations and best purchasing practices will be used to assure the City obtains quality services at reasonable prices.

Contracts issued are to be reviewed for form by the City Attorney; payments to contractor will be by purchase order and completion of the Request for Pay form.

- 2. Projects from \$30,000 up to \$100,000:**

Telephones or written quotations will be obtained from vendors who have requested to be listed on the City's Small Works Roster, in accordance with the requirements of City of Liberty Lake.

A contract will be awarded to the lowest responsible bidder.

In the event sufficient qualified vendors are not on the City's Small Works Roster, then formal, competitive sealed bids are required (as outlined in the following section).

- 3. Projects over \$100,000:**

Formal, competitive sealed bids are required pursuant to RCW 35.23.352.

Advertisement for Bid of Public Works Project:

The Director of Planning and Community Development shall prepare an Advertisement for Bid of Public Works Project containing the following information:

- a. Brief description of the Public Works Project being bid.
- b. Notice of the requirement of a bid proposal deposit in the amount of 5% of the amount bid in the form of a cashier's check, postal money order, or surety bond in favor of the City of Liberty Lake.

- c. Terms of payment, if appropriate.
- d. Date and time of bid opening.
- e. The location where detailed plans, specifications, and contract documents are available for public inspection and the cost to obtain a set of plans and specifications.
- f. The name and telephone number of the City contact person.
- g. Notice that the City reserves the right to reject any and all bids.
- h. Notice that the bids received after the scheduled bid opening will not be considered.
- i. Notice that all bid documents are public record and subject to disclosure.

The Advertisement for Bid must be posted in City Hall and published in the City's official newspaper by the City Clerk once a week for two consecutive weeks with the last publication being at least 13 days prior to the last date upon which bids will be received.

Detailed Plans and Specifications:

Detailed plans and specifications of public works project will be prepared at the direction of the Director of Planning and Community Development, along with an estimate of the cost of such work. The specifications will be approved by the Director and a certified copy filed with the City Clerk. Copies will be provided to prospective bidders upon payment of a sum equal to the cost of having said documents prepared.

Any changes or clarifications to the contract documents, specifications, or design drawings made after advertising and before the bid submittal and bid opening, should be issued to all document holders as numbered and dated addenda. A copy of the change order clarification must be filed with the City Clerk.

Request for Bid Log:

The initiating department must prepare a log and record containing the following information (the log is a formal public record to be filed with the City Clerk after award of the contract):

- a. The name, address, and phone number of every contractor who received a copy of the Detailed Plans and Specifications for the project and the date and time specifications were provided.
- b. If communications with prospective bidders occur during the bid period, record the substance of the communication on the bid log.

Bid Opening:

The City Clerk, or his/her designee, shall be present at all bid openings to verify the date and time of bid opening; open each bid proposal; announce the bids of each submitter; record the unit prices, sales tax, delivery charge if applicable, and total cost of each bid proposal. A tabulation of bid results will be prepared by the City Clerk and is available to the public soon after, following the formal bid opening.

Bid Award:

The requesting department will evaluate the bids, determine, and document the lowest responsible bidder, prepare a contract including review as to form by the City Attorney, and submit the documentation to the Mayor for approval and submission to the City Council.

After the purchase order or contract is issued, a copy of the bid log should be submitted to the Finance Director with the encumbering copy of the purchase order/contract and the unsuccessful vendors should be notified.

All bid proposal deposits must be returned to the unsuccessful bidders; the 5% bid bond of the successful bidder will be retained until a contract is entered into and a bond to perform the work is furnished, with surety satisfactory to the City Council. If the bidder fails to enter into the contract in accordance with his or her bid and furnishes a bond within ten days from the date of being notified of the successful bid, the 5% bid bond will be forfeited to the City of Liberty Lake.

Public Record:

Immediately after opening of the bids, the original copy of every bid proposal and a copy of the bid log should be filed with the City Clerk for retention; the bids are a public record. A copy of the proposal of the successful bidder should remain with the initiating department until completion of the project.

III. ARCHITECTURAL & ENGINEERING SERVICES

A. Approval Authority

AMOUNT	APPROVAL AUTHORITY	PROCEDURE
\$0 - \$5,000	Mayor	Contract/Invoices/ Telephone Bids
Over \$5,000	City Council	Contract/Invoices

B. Process

The initiating department shall prepare a Request for Qualifications and publish the department's requirements for professional services in advance. The RFQ and its publication is intended to reach those potentially interested consultants that can provide the services required within the established time frame.

Whether the RFQ is for a specific project or for a "category or type" of service, it should contain the following information:

- a. Project title and description.
- b. Scope of services desired.
- c. Submission deadline.
- d. Format of response.
- e. Criteria for selection.
- f. Number of copies desired.
- g. Name and telephone number of City contact person.

- h. Instructions for submittal of qualifications and deadline for response.
- i. Specific contract provisions, if applicable.
- j. Notice that all documents submitted are a public record and subject to disclosure.

The responses received will be evaluated at the direction of the initiating department against established and consistently applied evaluation criteria. In some cases, top finalists may be selected for an interview procedure for further evaluation and rating. Upon conclusion of the evaluation procedure, a recommendation will be presented to the appropriate budget authority for approval, or to the Mayor for submission to the City Council for approval.

Contract negotiations proceed after selection of the most qualified firm at which time statute provides for negotiation on a "fair and reasonable price."

The contract is a legal contract between the City and a vendor and will specify the scope and costs of the services to be provided, as well as the terms of payment. All contracts must be reviewed and approved as to form by the City Attorney.

The contract should be composed of two originals and two copies and is distributed as follows after execution:

- 1. One original provided to the vendor prior to commencing work.
- 2. One original provided to the City Clerk.
- 3. One copy to the Finance Director.
- 4. One copy to the department responsible for monitoring contract performance and authorizing progress and final payments.

IV. PROFESSIONAL SERVICES CONTRACTS

A. Approval Authority

AMOUNT	APPROVAL AUTHORITY	PROCEDURE
\$0 - \$5,000	Mayor	P.O., Invoices, Three Telephone Bids
Over \$5,000	City Council	Contract/Invoices

B. Process

Contracts for professional services such as attorney services, computer programmers, financial consultants, planners, bond counsel, accountants, etc., may be procured by direct negotiation with a selected firm or individual.

Although formal competitive bids or Requests for Qualifications are not legally required, it is recommended the process described under Architectural & Engineering Services be followed.

V. SOLE SOURCE PURCHASES

Compliance to the provisions of these purchasing policies and procedures may be waived upon approval of the City Mayor and by resolution of the City declaring that the purchase is clearly and legitimately limited to a single source or supply within the near vicinity, or the materials, supplies, equipment, or services are subject to special market conditions, and recites why this situation exists.

VI. EMERGENCY PURCHASES

Compliance to the provisions of these purchasing policies and procedures may be waived for certain public works projects or purchases in the event of an emergency in order to provide the ability to respond and so as not to compromise the health, safety, or welfare of the people.

Within 48 hours of the initiating of the emergency contract or purchase, and declaration of the emergency by the Mayor or designee or budget authority, a purchase order will be prepared indicating the emergency for which issued.

Additional justification, documentation, or other materials may be required by the Mayor or City Council.

Within seven days after the commencement of an emergency public works project, the City must record and publish the description and cost estimate of the project. Within two weeks of the finding that such an emergency existed, the City must adopt a resolution certifying the existence of the emergency situation.

VII. DEFINITIONS

Architectural and Engineering Services – Those services within the scope of practice of architecture, engineering, or land surveying.

Best Practice Purchasing – Whenever formal written quotes/bids or telephone quotes are not required, competitive relationships with vendors/suppliers/contractors will be shopped or negotiated to assure competitiveness and reasonableness in achieving low cost, good quality, and service.

Budget Authority – Person(s) authorized to spend funds up to amounts as budgeted on behalf of the City.

Competitive Sealed Bid – Notice to bidders is advertised and sealed bids are required. Usually, the bid document is very detailed and specific.

Direct Bill Account – The City may negotiate direct bill accounts with local suppliers and authorized employees may purchase items on the City's account with shipping bills matched to invoices for payment.

Emergency – A situation which results from the occurrence of a disaster, such as, but not limited to, flood, hurricane, riot, power outage, disease, or a situation which may lead to the impairment of the health, safety, or welfare of the public, if not immediately attended to.

Lowest Responsible Bidder – In addition to price, elements which may be considered when selecting the best bid/proposal, include, but not limited to:

1. Tax revenue the City would receive by purchasing locally.
2. The ability of the bidder to perform the work.
3. The experience, efficiency, reputation, judgment, integrity, and character of the bidder.
4. Ability to perform promptly and within time specified without delay or interference.
5. Performance quality of previous contracts or services.

6. Previous and/or existing compliance by the bidder with laws relating to contracts or services.
7. Financial responsibility of the bidder to perform the contract or provide the service.
8. Limitations of any license the bidder may be required to possess.
9. The quality, availability, and/or adaptability of the product or service.
10. Ability of the bidder to provide future maintenance and/or service.
11. Life cycle maintenance and performance of the equipment or product.
12. Compatibility and uniformity with existing equipment, services, and/or procedures.
13. Other information as may be pertinent and having a bearing on the decision to award the contract.

Proposal – The consultant’s proposal describing key personnel, technical approach, experience, and familiarity with the area, time schedules, work plan, and other information relating to the specific service being sought.

Professional Services – An occupation wherein the labor and skill involved is predominately mental or intellectual rather than physical or manual. Professionals included in this category are: Accountants, artists, attorneys, bond brokers, computer programmers/consultants, insurance brokers, economists, financial analysts, planners, real estate appraisers, and codification of municipal ordinances.

Purchasing Agent – Person(s) responsible for purchasing in each department/unit.

Request for Proposal (RFP) – A solicitation sent to known vendors, usually prepared by a department head or designee, which includes in a general manner the work or type of service which the City desires to contract. RFP’s generally solicit original ideas from experienced and knowledgeable workers.

Roster – Small Works – A listing of prequalified bidders for public works projects of between \$30,000 and \$100,000.

Roster – of Vendors for Supplies, Materials, and Equipment – A listing of vendors from which bids/telephone quotations will be sought for purchases of supplies, materials, and equipment estimated to cost between \$5,001 and \$14,999.

Statement of Qualifications – A form of proposal wherein the prospective consultant/contractor provides information relating to the proposer's qualifications to perform the type(s) of work being sought, and may include brochures, resumes of key personnel, descriptions of work completed in other places, references, etc.

Telephone Quote – Soliciting prices and other terms from vendors by phone wherein records of each contract are maintained.

Written Quotation – A written record of prices and other terms provided by prospective vendors in response to written solicitation sent to the prospective vendors by the City.

Approved this _____ day of _____, 2001.

Steve Peterson, Mayor

Attachment 'A'

POLICY PROCEDURE: PURCHASING CONTRACTING

Quick Reference Sheet

TYPE	AMOUNT	APPROVAL AUTHORITY	PROCEDURE
Petty Cash	0 - \$50	Budget Authority	Signed Receipt
Purchase of Supplies, Materials, or Equipment			
Direct Bill Account	0 - \$100	Budget Authority	Invoice
Single	\$100 - \$499	City Administrator	P.O. and Invoice
	\$500 - \$5,000	Mayor	Three telephone quotes
	\$5,001 - \$15,000	City Council	Telephone/written quotes from Roster of Vendors or Competitive Bid
	Over \$15,000	City Council	Competitive Bid
Public Works Contracts	0 - \$499	Budget Authority	Contract/P.O.
	\$500 - \$5,000	Mayor	Contract/P.O./ Three Telephone Bids
	\$5,001 - \$20,000 (one trade)	City Council	Contract/P.O.
	\$20,001 - \$30,000	City Council	Contract/P.O.
	\$30,000 - \$100,000	City Council	Small Works Roster or Competitive Bid
	Over \$100,000	City Council	Competitive Bid
Emergency Purchase	NA	Budget Authority	P.O./Contract within 48 hours
Professional Services	\$0 - \$5,000	Mayor	P.O., Invoices, and Three Telephone Bids
	Over \$5,000	City Council	Contract/Invoices
Architects & Engineers	\$0 - \$5,000	Mayor	Contract, Invoices, and Three Telephone Bids
	over \$5,000	City Council	Contract/Invoices

EXHIBIT "1"

City of Liberty Lake

Telephone Quotations – The City shall use the following process to obtain telephone quotations from vendors for the purchase of materials, supplies, or equipment:

- a) A written description shall be drafted of the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase;
- b) A City representative shall make a good faith effort to contact at least three of the vendors on the roster established according to subsection 2 above and, reading from the written description, obtain telephone quotations from the vendors on the required materials, supplies, or equipment;
- c) At the time such telephone quotations are solicited, the City representative shall not inform a vendor of any other vendor's bid on the materials, supplies, or equipment;
- d) A written record shall be made by the City representative of each vendor's bid on the materials, supplies, or equipment, and of any conditions imposed on the bid by such vendor;
- e) All of the telephone bids or quotations shall be collected and presented at the same time to the City Council for consideration, determination of the lowest responsible bidder, and award of the contract.