

ORDINANCE NO. 1016**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON
AMENDING CHAPTER 2.60 OF THE SHORELINE MUNICIPAL CODE
TO UPDATE PURCHASING PROCEDURES.**

WHEREAS, the City of Shoreline is a non-charter optional municipal code city as provided in Title 35A RCW, incorporated under the laws of the state of Washington; and

WHEREAS, Shoreline Municipal Code (SMC) Chapter 2.60 sets forth the purchasing procedures governing the purchase of supplies, materials, equipment, nonprofessional and professional services, public works projects, and real property; and

WHEREAS, in 2010, with the adoption of Ordinance No. 588, while not statutorily required to do so, the City Council established a requiring utilization of apprentices for public works contracts valued at \$1,000,000 or more; and

WHEREAS, in 2023, with the adoption of Engrossed Substitute House Bill 1050, the Washington State Legislature modified and expanded apprenticeship utilization requirements to municipalities and established a decreasing contract amount over the next four (4) years that would require at least 15 percent of the labor hours be performed by apprentices from \$2,000,000 in 2024 to \$1,000,000 in 2028, which requires amendments to SMC Chapter 2.60 for uniformity with state law; and

WHEREAS, in 2023, with the adoption of Second Substitute Senate Bill (SSSB) 5268, the Washington State Legislature enacted changes to increase both equity and efficiency in public works procurement, including streamlining the delivery of small public works projects, and setting forth requirements for utilization of small businesses and businesses owned by women and minorities and allowing for direct contracting with small business, which become effective July 1, 2024, and require amendments to SMC Chapter 2.60 to ensure consistency with state law; and

WHEREAS, SSSB 5268, now codified in various sections of the RCW, including RCW Chapter 39.04, at RCW 39.04.151, permits the City to utilize a statewide small works roster developed by the Department of Commerce through the Municipal Research and Services Center as the City's small works roster; and

WHEREAS, since SMC Chapter 2.60 was last amended in 2020, various "housekeeping" amendments are necessary to provide greater clarity or consistency in these purchasing procedures or updates to reflect current practices and to allow for increases in certain purchasing authority based on inflation rates;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF
SHORELINE, WASHINGTON DO ORDAIN AS FOLLOWS:**

Section 1. Amendment to SMC Chapter 2.60. SMC Chapter 2.60 is amended as set forth in Exhibit A to this Ordinance.

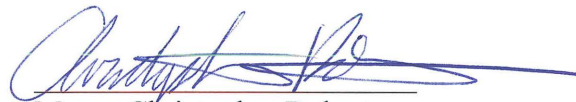
Section 2. Small Works Roster. As provided in RCW 39.04.151, the City elects to utilize the statewide small works roster developed by the Washington State Department of Commerce through the Municipal Research and Services Center as the City of Shoreline’s Small Works Roster.

Section 3. Corrections by City Clerk or Code Reviser. Upon approval of the City Attorney, the City Clerk and/or the Code Reviser are authorized to make necessary corrections to this Ordinance, including the corrections of scrivener or clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering and references.

Section 4. Severability. Should any section, subsection, paragraph, sentence, clause, or phrase of this Ordinance or its application to any person or situation be declared unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance or its application to any person or situation.

Section 5. Publication and Effective Date. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five (5) days after its publication.

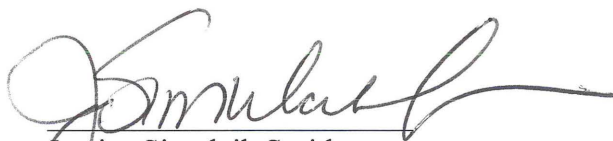
PASSED BY THE CITY COUNCIL ON JUNE 24, 2024.



Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:



Jessica Simulcik Smith
City Clerk



Margaret King
City Attorney

Date of Publication: June 27, 2024
Effective Date: July 2, 2024

Chapter 2.60

PURCHASING

Sections:

- 2.60.010 Purpose.
- 2.60.020 Policy statement.
- 2.60.030 Definitions.
- 2.60.040 General provisions.
- 2.60.050 Purchase of materials, supplies or equipment.
- 2.60.060 Public works projects contracts.
- 2.60.070 Services.
- 2.60.080 *Repealed*.
- 2.60.090 Real property acquisition.
- 2.60.100 Environmental purchasing – Compost.

2.60.010 Purpose.

~~This chapter is intended to direct the contracting for public works, materials, supplies, and equipment, services, and real property at a reasonable cost, using an open, fair, documented and competitive process whenever reasonable and possible. The integrity, efficiency, and effectiveness of the city’s procurement functions are critical elements of sound government. [Ord. 890 § 1 (Exh. A), 2020; Ord. 620 § 1, 2011; Ord. 272 § 1, 2001]~~ The purchasing procedures of this chapter govern the purchase of materials, supplies, equipment, services, and public works contracts. These procedures establish a small works roster process and an alternative process to award public works contracts as authorized by RCW 35.23.352, 35A.40.210, and Chapters 39.04 and 39.10 RCW.

2.60.020 Policy statement.

A. The city desires a fair and open process that is free from the potential for bias and conflict of interest. In addition, the city desires consistent and appropriate practices for solicitations and contracting. All purchases shall provide the city with the best quality and best value. All purchases are to be made within budgetary limitations and for the purpose of the goals and objectives approved in the city’s budget. Any purchase made that is not within budgetary limits shall be pre-approved through a budget amendment process. All purchases made by the city shall ultimately be approved by the city council through the voucher approval process.

B. The administrative services department is charged with developing administrative rules and procedures to implement this chapter. These administrative rules and procedures should ensure the fiscal responsibility of the city in expending resources for goods and services for city operations and shall be based on guidelines provided in the Revised Code of Washington; and by the State Auditor’s Office, and by Municipal Research Services Center.

~~C. The purchasing procedures of this chapter govern the purchase of materials, supplies, and equipment, nonprofessional and professional services, and public works contracts. These procedures establish a small works roster process and an alternative process to award public works contracts as authorized by RCW 35.23.352, 35A.40.210, and Chapters 39.04 and 39.10 RCW. [Ord. 890 § 1 (Exh. A), 2020; Ord. 620 § 1, 2011; Ord. 272 § 1, 2001]~~

2.60.030 Definitions.

“Alternative public works contracting procedure” ~~means the design-build, general contractor/construction manager, and job order contracting procedures authorized by RCW 39.10.300, 39.10.340, and 39.10.420, respectively. shall have the same meaning as set forth in RCW 39.10.210.~~

“Architectural and engineering services” means professional services rendered by any person, other than a city employee, to perform activities within the scope of the professional practice of architecture (Chapter 18.08 RCW), professional practice of engineering and land surveying (Chapter 18.43 RCW), and/or professional practice of landscape architecture (Chapter 18.96 RCW).

“City manager” shall mean the city manager for the city of Shoreline or designee.

“Compost products” shall have the same meaning as set forth in RCW 43.19A.010.

“Contract Amendment” means an executed modification to the original contract and can be referred to as an amendment, supplement, or change order.

“Craft” means a recognized construction trade or occupation for which minimum wage categories are established by the Department of Labor and Industries of the state of Washington in the locality of the city’s projects.

“Director” means the administrative services director or designee.

“Formal competitive bid” is the process of advertising and receiving sealed written bids from prospective vendors. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.

“Informal competitive quotes” are price quotes from vendors that are obtained using a variety of mediums such as phone or electronic mail (email). Results must be documented and submitted with a purchase order request or with an invoice for direct pay. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.

“Interlocal agreements” are the exercise of governmental powers in a joint or cooperative undertaking with another public agency. Purchase of materials, supplies, equipment, or services from another public agency which is not an exercise of the city’s governmental powers is not an interlocal agreement and shall be approved pursuant to SMC 2.60.050 or 2.60.070.

“Life cycle cost” means the total cost of an item to the city over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life.

“General services” are services that are purchased by the city in which the contractor receives specific instructions and guidance from the city and does not meet the definition of professional services, architectural and engineering services, or services required to pay prevailing wages. Examples include, but are not limited to, machine repair, debt collection services, temporary service agencies, software as a service, credit card services, equipment service agreements, auctioning services, delivery services, inspections, and advertising.

“MRSC” means the Municipal Research and Services Center.

~~“Nonprofessional services” are services that are purchased by the city in which the contractor receives specific instructions and guidance from the city and does not meet the definition of professional services, architectural and engineering services, or services required to pay prevailing wages. Examples include machine repair, debt collection services, temporary service agencies, credit card services, equipment service agreements, auctioning services, delivery services, inspections, advertising, etc.~~

“On-call contract” means a contract that is awarded with general provisions for the services to be rendered. As services are to be rendered, specific task orders are initiated that are to be completed by the contracting firm.

“Ordinary maintenance” is work not performed by contract and that is performed on a regularly scheduled basis (e.g., daily, weekly, seasonally, semiannually, but less frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

“Person” means any individual, partnership, professional service corporation, corporation, joint stock association, joint venture, or any other entity authorized to do business in the State and in the city.

“Professional services” are services provided by consultants that provide highly specialized, generally one-time expertise to solve a problem or render professional opinions, judgments or recommendations. The labor and skill involved to perform these types of services are predominately mental or intellectual, rather than physical or manual. Examples include graphics design, advertising, analysis, financial expertise, accounting, artists, attorneys, bond brokers, computer consultants, insurance brokers, economists, planners, real estate services, etc. This term does not include architectural and engineering services.

~~“Public work,” as defined in RCW 39.04.010, means a complete project, and includes all work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the city or which is by law a lien or charge on any city property. Public work projects include the related materials, supplies and equipment to complete the project. Public works include contracts for maintenance of city facilities or real property shall have the same meaning as set forth in RCW 39.04.010.~~

“Purchasing threshold” means the maximum dollar value of a contract or amendments above which requires city council approval.

“RCW” means the Revised Code of Washington. All references in this chapter to the RCW shall include any future amendments to the referenced statute.

~~“Request for proposals (RFP)” means a process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are then evaluated based on the idea, including originality, suitability, practicality, expertise, etc. Proposals may be selected based on the quality of the proposal, and to a lesser extent, experience, cost, and references means a competitive solicitation issued by the city that considers such facts as qualifications, experience, quality of project teams, costs, and/or proposed technical solutions.~~

~~“Request for qualifications (RFQ)” means a process that requests interested consultants to submit a letter of interest and a statement of persons to respond with a description of their experience and their qualifications. Consultants Persons are evaluated upon their qualifications, expertise, and references. Cost cannot be a consideration until after a consultant person has been selected at which point the price may be negotiated.~~

“Small business” shall have the same meaning as set forth in RCW 39.04.010(7).

~~“Small works roster” is a roster of qualified contractors maintained for use in a modified formal bid process. When the contract amount for a public works project is less than the dollar threshold for small public works projects as set forth in RCW 39.04.155, as amended, means the statewide small works roster developed by the Washington State Department of Commerce through MRSC in accordance with RCW 39.04.151(2); the city may follow the small works roster process for construction of a public work or improvement as an alternative to formal competitive bid requirements.~~

~~“Unit priced contract” means a competitively bid contract in which public works are anticipated on a recurring basis to meet the needs of the city under which the contractor agrees to a fixed period indefinite quantity delivery or work at a defined unit price for each category of work as set forth in RCW 39.04.235, as amended.~~

“WAC” means the Washington Administrative Code. All references in this chapter to the WAC shall include any future amendments to the referenced code provision.

2.60.040 General provisions.

A. ~~Federal, or State, or Grant Funds.~~ When a purchase involves the expenditure of ~~state or federal funds or grants~~ federal, state, or grant funds, purchasing shall be conducted in accordance with any applicable federal or state laws or regulations and the terms and conditions of the grant.

B. Breaking Down or Splitting Purchases. The breaking down, or splitting, of any purchase or contracts into units of or phases for the purpose of avoiding the maximum dollar amount is prohibited.

C. Bid Protest. Any bidder may file a written protest against award of a contract to the lowest bidder consistent with the provisions of the bid documents.

C. D. Emergency Purchases. Notwithstanding any other provisions of this chapter, the city manager or designated agent may make or authorize others to make emergency purchases of materials, supplies, equipment, or services without complying with the requirements of this chapter when there exists a threat to public health, welfare, or safety or threat to proper performance of essential functions; provided, that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular vendor or contractor shall be included in the contract procurement

file. As soon as practicable, a record of each emergency purchase shall be made and shall set forth the vendor's or contractor's name, the amount and type of the contract, and listing of the item(s) procured ~~under the contract~~, which shall be reported to the city council at the next subsequent meeting.

D. E. Amendments and Change Orders. Contract Amendments.

1. Amendments ~~or change orders~~ to contracts which result in the final contract amount in excess of purchase limits identified in this chapter may be administratively approved if the changes are:

- a. Within the scope of the project or purchase;
- b. Executed in writing;
- c. ~~The amount~~ Not in excess of the city manager's purchase purchasing threshold limits shall not exceed \$100,000.

2. Contract amendments that are strictly a change in contract expiration date may be administratively approved.

3. The value of all ~~change orders~~ amendments will be aggregated, and when any single amendment or combination of ~~change orders~~ amendments on the same project or purchase exceeds the ~~limit under subsection (D)(1)(e) of this section~~ the city manager's purchasing threshold, the change must be approved by the city council, except:

- a. For service contracts to accomplish an ongoing city program rather than a discrete project, the aggregation of administrative ~~change orders~~ amendments shall be recalculated after each contract year;
- b. Where the size of the contract makes it probable that administrative ~~change order~~ amendment authority will be quickly exhausted, the city council may, upon recommendation of the city manager, extend the ~~aggregate limits of subsection (D)(1)(e) of this section~~ city manager's purchasing threshold upon award of the particular contract; or
- c. A contract amendment approved by the city council under this subsection shall allow new administrative amendments ~~or change orders~~ to the previously amended contract that satisfy the requirements of subsection ~~(DE)~~ (E)(1) of this section.

EF. Procurement Methods. Allowable procurement methods include the use of purchase orders, direct purchases (no purchase order), procurement cards, personal reimbursement, petty cash, credit cards, and contracts as long as those procurement methods are used in compliance with this chapter. With appropriate security and internal controls these purchasing methods may be used electronically.

F G. Purchasing Threshold and Signature Authority. ~~The city manager may delegate the signature authority provided in this chapter to other city employees as deemed appropriate.~~ 1. The city council delegates purchasing authority to the city manager for the purchase of goods and services. The city manager's purchasing threshold is \$125,000. The amount of this purchasing threshold shall be evaluated annually by the director utilizing the Consumer Price Index for all Urban Consumers in the Seattle-Tacoma-Bellevue region (CPI-U). The director shall document the change in the June-to-June CPI-U and, once the cumulative CPI-U increases equal or are greater than \$5,000, the director shall provide notice of an increase in the city manager's purchasing threshold effective January 1 of the following year to the city council. The city manager's purchasing threshold may be increased by no more than \$5,000 at any one time.

2. The city council delegates purchasing authority to the city manager for the purchase of public works projects. The city manager's purchasing threshold for public works contracts is established in SMC 2.60.060.

3. The city manager may delegate the signature authority as provided in this chapter to other city employees as deemed appropriate.

2.60.050 Purchase of materials, supplies or equipment.

A. Purchasing Thresholds. Purchasing thresholds apply to the cost of individual items or the sum of the same items purchased at the same time to fulfill a specific business need, which are not part of a public works project as defined by RCW 39.04.010 and this chapter. Cost is inclusive of sales tax, delivery charges and any related miscellaneous charges. The city manager may authorize the acquisition of materials, supplies, or equipment with a cost equal to or less than ~~\$100,000~~ the city manager's purchasing threshold; otherwise city council approval is required.

1. Purchases Equal To or Less Than \$10,000. Purchases where the cost is \$10,000 or less do not require any informal or formal competitive quotes or purchase orders. Departments are allowed to make these purchases administratively in accordance with administrative rules and procedures developed by the director.
2. Purchases Greater Than \$10,000 but Equal to or Less Than \$25,000. Purchases where the cost is greater than \$10,000, but equal to or less than \$25,000, require that the city make every effort to obtain a minimum of three written or oral informal competitive quotes.
3. Purchases Greater Than \$25,000 but Equal to or Less Than \$50,000. Purchases where the cost is greater than \$25,000, but equal to or less than \$50,000, require that the city obtain a minimum of three written informal competitive quotes in accordance with administrative rules and procedures developed by the director.
4. Purchases Greater Than \$50,000 ~~but Equal to or Less Than \$100,000~~. Purchases where the cost is greater than \$50,000, ~~but equal to or less than \$100,000~~, require that the city follow formal competitive bidding processes.
5. ~~Purchases Greater Than \$100,000. Purchases where the cost is greater than \$100,000 require that the city follow formal competitive bidding processes. The city council shall authorize these purchases based on the results of the formal competitive bidding process and city staff recommendations. The city council shall authorize purchases that exceed the city manager's purchasing threshold based on the results of the formal competitive bidding process and city staff recommendations.~~
6. The lease of equipment or other personal property shall follow the procedures contained in this section with the aggregate of lease payments over the life of the lease serving as the basis for the purchase cost.
7. Software purchases, other than software-as-a-service, when initially procured, shall follow the purchase guidelines in this section. License renewals or required upgrades to ensure continued functionality may be approved administratively.

B. Exceptions to Purchasing Thresholds. The city manager is authorized to allow open market purchases without obtaining the regularly required competitive quotes or bids under the following conditions:

1. Surplus or Distress Sale. When it is possible to procure obvious bargains through the procurement of surplus or distress material, supplies, or equipment.
2. Auctions. RCW 39.30.045 authorizes the city to acquire materials, supplies, or equipment through an auction conducted by the United States or any agency thereof; an agency of the state of Washington; a municipality or other government agency; or any private party; without quotations or bids, if the items to be purchased can be obtained at a competitive price.
3. Items for Quick Delivery. When the obtaining of competitive bids or quotations will cause delay resulting in an appreciable loss to the city.
4. Interlocal Joint Purchasing Agreements. Materials, supplies, or equipment may be purchased pursuant to RCW 39.34.080 using joint purchasing agreements with a city, county, state or other public agency. Such joint purchasing agreements shall be approved by the city council prior to solicitation of vendors.
5. Sole Source Procurement. A contract for the purchase of materials, supplies, or equipment may be awarded without complying with the bidding requirements of this chapter when the city manager ~~or designee~~ determines, after conducting a good faith review of available resources, that there is only one source of the required materials, supplies, or equipment. The director ~~or designee~~ shall conduct negotiations, as appropriate,

as to price, terms, and delivery time. A record of sole source procurement shall be maintained that lists each ~~contractor's~~ vendor's name, the amount and type of each contract, and a listing of the item(s) procured under each contract.

6. No Bids or Quotations Received. When no bids or quotations are received in response to an invitation to bid or request for quotations, the director ~~or designee~~ is authorized to procure the required item through direct negotiations with a vendor or to rebid as the city manager deems appropriate.

C. Informal Competitive Quotes.

1. A city representative shall make a reasonable effort to solicit quotes from at least three vendors. The number of vendors solicited may be reduced if the item being sought is only available from a smaller number of vendors. When fewer than three quotes are requested or if there are fewer than three responses, an explanation shall be placed in the procurement file.

2. Whenever possible, quotes shall be solicited on a lump sum or fixed unit price basis.

3. At the time quotes are solicited, the city representative shall not inform a vendor of any other vendor's quote.

4. A written record shall be made by the city representative of each vendor's quote and of any conditions imposed on the quote by such vendor.

5. All of the quotes shall be collected and presented at the same time to the director ~~or designee~~ as appropriate for consideration, determination of the lowest responsible vendor and award of purchase.

6. Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the city may obtain new quotes or enter into direct negotiations to achieve the best possible price. In this case, the director ~~or designee~~ shall document, in writing, the basis upon which the determination was made for the award.

D. Formal Competitive Bid.

1. General. Unless otherwise specifically approved by the city council, all contracts relating to the purchase of materials, equipment, or supplies where the cost is greater than \$50,000 shall be by sealed bid.

2. Invitation for Bids. An invitation for bids shall be issued which shall include the specifications and the contractual terms and conditions applicable to the procurement.

3. Public Notice. Public notice of the invitation for bids shall be published at least once in a newspaper of general circulation within the city, not less than 13 calendar days prior to the date set forth therein for the opening of bids, unless for good cause shown the city council authorizes a different period of time. The public notice shall state the date and time of bid opening. Bids not received by the date and time stated for bid opening shall not be accepted or considered.

4. Bid Opening. Bids shall be opened publicly and recorded at the time and place designated in the invitation for bids.

5. Withdrawal of Bids. Bids may be modified or the bid may be withdrawn by written notice received in the office designated in the invitation for bids prior to the time set for opening. Notice may be delivered personally, by U.S. Mail, by a recognized overnight courier service, or by electronic mail (email). After bid opening, withdrawal of bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence presented in a sworn affidavit or declaration submitted no later than 5:00 p.m. on the first business day after bid opening, that a clerical mistake in the bid was made and not a mistake in judgment, and the bid price actually intended was different than what was submitted. All decisions to permit the withdrawal of bids after bid opening based on bid mistakes, shall be made by the director.

6. Award. For purchases equal to or less than ~~\$100,000~~ the city manager's purchasing threshold, the bids shall be submitted to the city manager for authorization. For purchases greater than ~~\$100,000~~ the city manager's

purchasing threshold, the bids shall be submitted to the city council, along with staff recommendation on selection of lowest responsible vendor. The award of bid shall be made to the lowest responsible bidder whose bid meets the specifications and evaluation criteria set forth in the invitation for bids. The city may reject all bids at its discretion as provided by state law.

E. Lowest Responsible Vendor. The following factors, in addition to price, may be taken into account by the city in determining the lowest responsible vendor:

1. Any preferences provided by law to local products and vendors;
2. Such other information as may be secured indicating a reasonable probability that the vendor shall not be able to perform the contract according to its terms and specifications.

F. Life Cycle Costing. In considering the purchase of materials, supplies, or equipment, whenever there is a reason to believe that applying the “life cycle costing” method of quote evaluation would result in the lowest total cost to the city, first consideration shall be given to purchases with the lowest life cycle cost which complies with the specifications.

G. Recycled Products. The city shall seek to maximize purchase of products using recycled materials and products suitable for recycling, unless the purchase will result in an unreasonable increase in price or degradation of quality or performance over comparable products.

2.60.060 Public works projects contracts.

A. Purchasing Procedures. Public works contracts shall follow bid requirements applicable to code cities with a population in excess of 20,000, as set forth in RCW 35.23.352. Cost for a public works project includes all amounts paid for materials, supplies, equipment, and labor ~~on the construction of that of the completed project~~, which is inclusive of sales tax, unless exempted by law. All public works projects require a contract.

~~B. Purchasing Limitations. The city manager may authorize the purchase and execution of public works projects equal to or less than the dollar threshold for small works projects as set forth in RCW 39.04.155 as amended.~~
Formal Competitive Bid Process. Departments shall use the formal competitive bid process set forth in RCW 35.23.352 for public works projects with an estimated cost in excess of the maximum dollar threshold as set forth in RCW 39.04.152(1). The city council shall authorize the city manager to execute the related contract.

~~C. Alternatives to Competitive Bids. “Craft” means a recognized construction trade or occupation for which minimum wage categories are established by the Department of Labor and Industries of the state of Washington in the locality of the city’s projects. The city manager may authorize the execution of public works contracts with an estimated cost equal to or less than the dollar threshold defined in RCW 35.23.352 and 39.04.152 in the following situations:~~

1. ~~Whenever the estimated cost for a pProjects for of single craft or multiple crafts with a reasonably anticipated price is equal to or less than the dollar thresholds as set forth in RCW 35.23.352, as amended, do not require the use of competitive quotes or bids. Departments are allowed to make these purchases administratively in accordance with the administrative rules and procedures developed by the director. All purchases require a purchase order or an executed contract.~~
2. ~~Whenever the estimated cost for a pProjects for of single craft or multiple crafts with a reasonably anticipated price higher is equal to or less than the dollar thresholds as set forth in RCW 35.23.352, as amended, up to the maximum dollar threshold as set forth in RCW 39.04.155, as amended, shall either departments are allowed to use the small works roster or a formal competitive bid procurement process. All purchases require a purchase order or an executed contract. set forth in subsection D of this section.~~
3. ~~Projects with a cost in excess of the maximum dollar threshold as set forth in RCW 39.04.155, as amended, require a formal competitive bid process. The city council shall authorize these purchases and provide authority for the city manager to execute the related contract.~~

D. Small Works Roster. ~~There is established for the city of Shoreline a small works roster contract award process for accomplishment of public works projects with an estimated value threshold as set forth in RCW 39.04.155, as amended. The city may create a single small works roster, or may create small works rosters for different categories of anticipated work. As authorized by RCW 39.04.151 through RCW 39.04.152, the city establishes a small works roster process for awarding public works contracts with an estimated dollar threshold as set forth in RCW 39.04.152.~~

1. Roster List. ~~The small works roster(s) shall consist of all responsible contractors who have requested to be on the list, and where required by law, are properly licensed or registered to perform such work in the state of Washington. In addition to mandatory criteria for determining a responsible contractor under RCW 39.04.350, other criteria listed in SMC 2.60.050(E) may be added. Statewide Small Works Roster. For the purpose of this small works roster process, the city shall utilize the statewide small works roster developed by the Washington State Department of Commerce and MRSC as its small works roster. The small works roster shall comply with the requirements set forth in RCW 39.04.151(1)(a)(f) without the need for public advertisement of bid requests.~~

2. Publication ~~Annual notification.~~ At least once a year, the city shall publish in a newspaper of general circulation within the city and provide to the Washington State Office of Minority and Women's Business Enterprises directory of certified firms, the notice of the existence of the roster(s) its small works roster. and solicit the names of contractors for such roster(s). Responsible contractors shall be added to an appropriate roster(s) at any time that they submit a written request and necessary records. The notice shall include a solicitation to contractors for inclusion in such roster.

3. Master Contract. ~~The city may require a master contract to be signed that becomes effective when a specific award is made using a small works roster. Process- Invitations to bid.~~

a. Invitation to bid. To ensure that a competitive price is established and to award a contract to the lowest responsible bidder, the city shall invite bids electronically from all registered contractors on the appropriate small works roster; or

b. Direct contract negotiation. To increase the utilization of small businesses, when the cost is below the threshold established in 39.04.152(4)(b), the city may invite direct contract negotiations from small businesses on the appropriate small works roster as follows:

- i. If there are six or more appropriate contractors meeting the definition of small business on the applicable roster, the city must direct contract with one of those small businesses. When using direct contracting methods, the city must rotate through the appropriate contractors on the applicable small works roster and must utilize different contractors on different projects.
- ii. If there are five or less appropriate contractors meeting the definition of small business on the applicable roster, the city may direct contract with any contractors on the applicable roster.
- iii. When using the direct contract method, the city representative must notify the small, minority, women, or veteran-owned businesses on the applicable roster.
- iv. City staff shall establish a small, minority, women, and veteran-owned business utilization plan.
- v. The City may not favor certain contractors on the appropriate small works roster by repeatedly awarding contracts without documented attempts to direct contract with other contractors on the appropriate small works roster.

c. After an award is made, the bids obtained shall be recorded, publicly available, and available upon request.

d. At least once every year, the city shall publish a list of the contracts awarded under the small works roster process. The list shall also include the contractors contacted for direct negotiation under this process. The list shall contain, at a minimum, the information required by RCW 39.04.200

4. Appeal. Any contractor whose request to be on the roster(s) has been denied may appeal within 10 calendar days after the denial to the city manager; the city manager will make a decision within 30 calendar days of the notice of appeal. A denial by the city manager may be appealed to the city council within 10 calendar days of the date of the decision. The city council shall hold a public hearing on the issue and make a decision within 45 calendar days of receipt of the notice of appeal. A denial that is not appealed, or that is appealed and results in a final decision against the contractor, prevents the contractor from applying to be on the roster(s) for a period of one year from the date of the initial request.

5. Process. Whenever work that has received city council approval in the current budget, or otherwise been approved by the city council, is sought to be accomplished using a small works roster, a city representative shall obtain telephone, written or electronic quotations from contractors on the appropriate small works roster to assure that a competitive price is established and to award a contract to the lowest responsible bidder as follows:

a. A contract awarded from a small works roster need not be advertised. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

b. Quotations may be invited from:

i. All appropriate contractors on the appropriate small works roster, by sending notice to these contractors; or

ii. At least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate small works roster. For purposes of this section, "equitably distribute" means that the city may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

c. At the time quotations are solicited, the city representative shall not inform a contractor of the terms or amount of any other contractor's bid for the same project.

d. A written record shall be made by the city representative of each contractor's bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bids obtained shall be recorded, open to public inspection, and available upon request.

e. At least once every year, a list of the contracts awarded under this process is to be furnished to the city council and made available to the general public. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed or items purchased under the contract, and the date it was awarded. The list shall also state the location where the bids for these contracts are available for public inspection.

6. Determining Lowest Responsible Bidder. The city shall award the contract for a small works project to the lowest responsible bidder; provided, that whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the city may call for new bids.

7. Cancellation of Invitations for Quotations. Each invitation for quotations bid or direct contract negotiation issued by the city shall state that the invitation may be canceled at the discretion of the director. Thei reason(s)

for cancellation shall be made part of the contract project file. Notice of cancellation shall be sent to all parties that have been provided with a copy of the invitation contractors on the applicable roster or to the contractor invited to directly negotiate a contract and state briefly the reasons for cancellation.

~~E. Limited Public Works. The city may use the limited public works process to award public works projects as authorized by RCW 39.04.155, as amended. Alternative Public Works Contracting. As an alternative to bidding for public works projects as provided in this chapter, under certain circumstances the city may use alternative public works contracting procedures to award projects as authorized by Chapter 39.10 RCW. The city shall not utilize these procedures unless doing so best serves the public interest.~~

~~F. Formal Competitive Bid.~~

~~1. For public works not using a small works roster, the formal competitive bid process of SMC 2.60.050(D)(2) through (6) shall be used; provided, the city manager may award contracts of less than the dollar threshold for small works as set forth in RCW 39.04.155.~~

~~2. All contracts with an estimated cost greater than \$1,000,000 shall require that no less than 15 percent of the labor hours performed by workers subject to prevailing wages employed by the contractor or its subcontractors be performed by apprentices enrolled in an apprenticeship training program approved or recognized by the Washington State Apprenticeship and Training Council. Contractor prevailing wage documentation shall be supplemented to monitor compliance with this requirement throughout the contract.~~

~~a. The public works director may waive the requirements for apprentices in bid documents or reduce the apprenticeship hours during the contract if:~~

~~i. The apprenticeship requirement conflicts with state or federal funding conditions, or the conditions of any other grant or funding program;~~

~~ii. An insufficient number of apprentices are available to meet the contract requirements; or~~

~~iii. The project involves a high proportion of equipment and materials costs compared to the anticipated labor hours.~~

~~b. The public works director may reduce the apprenticeship hours throughout the duration of the contract if:~~

~~i. The contractor has demonstrated that it has utilized its “best efforts” to meet the established percentage requirement, but remains unable to fulfill the goal; or~~

~~ii. In order to meet the requirement, the contractor will be forced to displace members of its workforce.~~

~~c. A contractor or subcontractor failing to comply with apprenticeship requirements of this subsection shall not be considered a responsible bidder on city public works projects for a period of two consecutive years from the date of the city’s final acceptance of the project in which noncompliance occurred.~~

~~G. Alternative Public Works Contracting. As an alternative to bidding for public works projects as provided in this chapter, under certain circumstances the city may use alternative public works contracting procedures to award projects as authorized by Chapter 39.10 RCW, as amended. The city shall not utilize these procedures unless doing so best serves the public interest.~~

~~H. F. Bid Deposit and Performance Bond for Public Works Projects.~~

~~1. Whenever competitive bids are required, a bidder shall make a deposit in the form of a certified check or bid bond of the percentage specified in the call for bids; however, this amount shall not be less than five percent of the total bid. As part of any bid submitted, the bidder shall be required to warrant that the bid is a genuine bid, and that they have not entered into collusion with any other bidder or any other person.~~

2. All public works contractors shall furnish a performance bond in an amount equal to the total amount of the contract on a form approved by the city attorney, with the following exceptions:

a. In lieu of a performance bond on contracts less than the dollar threshold set forth in RCW 39.08.010, as amended, a contractor may request to have the city accept the percentage allowed by RCW 39.08.010 of the contract retained for a period of 30 calendar days after the date of the city's final acceptance of the project or until receipt of all necessary releases from the Department of Revenue and the Department of Labor and Industries and settlement of any liens filed under Chapter 60.28 RCW, whichever is later. As authorized by RCW 39.08.030, the city may, at its option, reduce the amount of a performance bond to not less than 25 percent of the total contract amount for on-call, unit priced, or scheduled maintenance contracts.

G. Cancellation of Bids. The City Council may, by resolution, reject any or all bids and make further calls for bids in the same manner as the original call.

H. Apprenticeship Utilization.

1. All contracts meeting the threshold requirements defined in RCW 39.04.320 shall require that no less than 15 percent of the labor hours performed by workers subject to prevailing wages employed by the contractor or its subcontractors be performed by apprentices enrolled in an apprenticeship training program approved or recognized by the Washington State Apprenticeship and Training Council. Staff shall monitor apprenticeship utilization hours throughout the contract and report final apprenticeship utilization by final project acceptance using the Department of Labor and Industries Prevailing Wage Intents and Affidavits System.

Staff shall develop a contract specification for apprenticeship utilization goals to be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals.

a. The public works director may adjust the requirements for apprentices in bid documents or reduce the apprenticeship hours during the contract if:

i. The apprenticeship requirement conflicts with state or federal funding conditions, or the conditions of any other grant or funding program;

ii. An insufficient number of apprentices are available in the geographic region to meet the contract requirements; or

iii. The project involves a disproportionately high ratio of material costs to labor hours.

iv. The contractor has demonstrated a good faith effort to comply with the requirements, or

v. Other criteria the City deems appropriate as defined in the contract specification.

2.60.070 Services.

A. Purchasing Thresholds. Purchase thresholds apply to the cost related to the acquisition of services to fill a specific business need. Cost is inclusive of any required sales tax and related expenses.

1. Contracts equal to or less than \$100,000 the city manager's purchasing threshold may be executed by the city manager. administratively selected by departments in accordance with the administrative rules and procedures developed by the director.

2. Contracts greater than \$100,000 the city manager's purchasing threshold require formal solicitation and shall be authorized by the city council.

3. The initial contract procurement process should apply a realistic and complete scope of services and length of time that would be necessary to complete a project unless intermediate stages have documented independent

utility, or there is a need for immediate action on a project using a limited scope and council authorization on the full project is processed without delay.

B. Contract or Purchase Order Required. The purchase of services require that the city enter into a contract or purchase order for that services, ~~with the exception of temporary employment agency services, and services with a that exceed total cost of \$10,000 or less in a calendar year~~ Departments are allowed to make these purchases ~~administratively in accordance with procedures developed by the director~~ except in the following situations:

1. Temporary employment agency services,

2. Periodic renewals of software-as-a service (SAAS). The initial SAAS purchase shall follow the purchasing thresholds and solicitation requirements of this section.

C. On-Call Service Contracts. On-call service contracts shall be procured with the process identified in subsection D of this section. The value thresholds and process for issuing individual task/work orders of on-call service contracts shall not exceed \$100,000 be defined in each on-call service contract.

D. Process.

1. Architectural, Landscape Architectural, and Engineering Services. Procedures set forth in Chapter 39.80 RCW shall be followed for contracts for architectural and engineering services, as defined in RCW 39.80.020.

a. Services Roster(s). Annually the city shall publish in advance the anticipated city's requirements for architectural, landscape architectural, and engineering services and its acceptance of statements of qualifications for contractors interested in providing these services. The services roster(s) shall be comprised of responsible contractors who have submitted statements. Responsible contractors shall be added to the services roster(s) at any time that they submit a written request to the MRSC roster service and provide the required documentation city accompanied by a statement of necessity.

b. ~~Contracts Equal to or Less Than \$100,000 the city manager's purchasing threshold.~~ Contracts that have an estimated cost of equal to or less than ~~\$100,000 the city manager's purchasing threshold~~ can be procured using an informal request for qualification process. This process requires the city representative to develop a written scope of the project and select a qualified contractor from the city's architectural, landscape architectural, and engineering services roster(s). If the city representative does not choose to use the appropriate roster, then the formal request for qualification process set forth in subsection (D)(1)(c) of this section shall be followed.

c. ~~Contracts Greater Than \$100,000 the city manager's purchasing threshold.~~ Contracts that have an estimated cost greater than ~~\$100,000 the city manager's purchasing threshold~~ must use a formal request for qualification (RFQ) process. The development of an RFQ along with the proper public notification shall be made in accordance with the administrative rules and procedures developed by the director; provided, the city manager may waive the RFQ process and allow the acquisition of services ~~rosters~~ as provided in subsection (D)(3) of this section, Waiver of Process.

2. ~~All Other Professional and Nonprofessional Services.~~

a. ~~Contracts Equal to or Less Than \$100,000 the city manager's purchasing threshold.~~ Contracts that have an estimated cost of equal to or less than ~~\$100,000 the city manager's purchasing threshold~~ can be procured using an informal request for proposal process. This process requires the city representative to develop a written scope of the project. Multiple proposals are optional and at the discretion of the department director. If multiple proposals are used to make a selection, a standard process must be used for obtaining all proposals.

b. ~~Contracts Greater Than \$100,000 the city manager's purchasing threshold.~~ Contracts that have an estimated cost in excess of ~~\$100,000 the city manager's purchasing threshold~~ shall be procured using a formal request for proposal (RFP) process. The development of an RFP along with the proper public notification shall be made in accordance with administrative rules and procedures developed by the

director; provided, the city manager may waive the RFP process as provided in subsection (D)(3) of this section, Waiver of Process.

3. Waiver of Process. For all types of services, when a contract has an estimated cost greater than \$100,000 the city manager's purchasing threshold, the city manager may waive the RFQ process in the following circumstances:

- a. Quantifiable costs of delay in using an RFP process are likely to outweigh higher quality performance expected from the RFP process;
- b. It can be demonstrated that there are insufficient contractors on the services roster that possess the required qualifications to perform the scope of work or, for non-services roster contracts, that specialized expertise, experience, or skill is needed for a successful outcome and outweighs potentially lower price proposals; or
- c. A contractor has previously provided satisfactory service to the city related to the specific project and has the qualifications to perform the scope of work.

E. Interlocal Joint Purchasing Agreements. Services may be purchased as authorized by RCW 39.34.030 using joint purchasing agreements with a city, county, state, or other public agency. Such joint purchasing agreements shall be approved by the city council prior to utilization.

2.60.080 Interlocal joint purchasing agreements.

Repealed by Ord. 890

2.60.090 Real property acquisition.

A. Real Property – Acquisition Authority. The city manager is authorized to accept by gift or acquire dedications, easements, rights-of-way, fee estates or other interests in real property for use by or on behalf of the city or any department of the city by threat of eminent domain, if necessary, in the following instances:

1. Minor Acquisitions. Any acquisition where the purchase price is equal to or less than \$10,000.
2. Approved Projects. Any acquisition which is part of an approved and funded project included in the city's capital improvement plan or a local improvement district ordered by the city council and the cost of the property is not greater than \$50,000 or other amount specifically authorized for a particular project, subject to the following:
 - a. Acquisitions in excess of \$25,000 shall be appraised and city manager approval may not exceed 10 percent of the fair market value of the property as determined by the city's appraiser or review appraiser.
 - b. For projects in the city's capital improvement plan, the city manager is authorized to convey city council's intent that these projects shall be accomplished with the use of eminent domain if necessary.
3. Relocation Claims. Where real property acquisition requires relocation, reimbursement of relocation costs is not included in the authorization limits of subsection (A)(2) of this section. The city manager is authorized to approve properly documented claims up to the limits prescribed by federal or state law regardless of amount, provided the city council has approved a project relocation plan for the project which includes any good faith parcel relocation cost estimate that exceeds \$50,000 or such higher parcel relocation limit approved by city council for a particular project.
4. All other real property acquisitions shall be submitted to the city council for approval.

B. Real Property – Manager's Leasing Authority.

1. The city manager or designee is authorized to execute leases of real property on behalf of the city where the term of the lease does not exceed one year and/or the consideration does not exceed \$50,000 per year.

2. A lease that exceeds the limits stated in subsection (B)(1) of this section shall be submitted to the city council for approval.

2.60.100 Environmental purchasing – Compost.

A. ~~For the purpose of this section “compost products” means mulch, soil amendments, ground cover, or other landscaping material derived from the biological or mechanical conversion of biosolids or cellulose containing waste materials. The purpose of this section is to comply with Chapter 43.19A RCW. Unless the context clearly requires otherwise, the definitions set forth in RCW 43.19A.010 shall apply to this section.~~

B. The city shall plan for the use of compost for government-funded public projects in the following categories:

1. Landscaping projects;
2. Construction and postconstruction soil amendments;
3. Applications to prevent erosion, filter stormwater runoff, promote vegetation growth, or improve the stability and longevity of roadways; and
4. Low-impact development and green infrastructure to filter pollutants or keep water on site, or both.

C. The city shall determine whether it is, to the maximum extent, economically feasible in performance of the work to use compost in a public project. If compost can be utilized, the city shall require a department and/or each contractor with whom it contracts to use compost products. Exceptions to the use of compost are as follows:

1. Compost products are not available within a reasonable amount of time;
2. Compost products that are available do not comply with existing purchasing standards;
3. Available compost products do not meet existing standards for health, quality, and safety; and/or
- 3.4. Prices are not reasonable or competitive.

D. The city shall give priority to purchasing compost products from companies that produce compost locally, are certified by a nationally recognized organization, and produce compost products that are derived from municipal solid waste compost programs and meet the quality standards comparable to standards adopted by the Washington State Department of Transportation or the Washington State Department of Ecology.

E. ~~On December 31st of even-numbered years~~ By March 31, 2025, and each March 31st thereafter, the city shall submit a report to the Washington State Department of Ecology covering the previous year’s compost procurement activities. At the minimum, the report shall contain the following:

1. The total tons of organic material diverted, and the facility or facilities used for processing;
2. The volume and cost of compost purchased by the city; and
3. The source(s) of the compost purchased.

F. The city manager ~~or designee~~ is directed to develop strategies to inform residents and businesses about the value of compost and how the city uses compost in its operations.