

## RESOLUTION NO. 593

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, ESTABLISHING THE PROCEDURE FOR THE PURCHASE OF SUPPLIES, MATERIALS AND EQUIPMENT; SEPARATING THE PROCESS FROM THE PROCEDURES FOR THE AWARD OF PUBLIC WORKS CONTRACTS UNDER A SMALL WORKS ROSTER; ADDING A PROCEDURE FOR WAIVING COMPETITIVE BIDDING FOR PURCHASES OF SUPPLIES, MATERIALS AND EQUIPMENT IN EMERGENCY SITUATIONS; REPEALING RESOLUTION 411.**

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WHEREAS, as an optional code municipal corporation, the City of Gig Harbor may adopt a process to award contracts for the purchase of any materials, equipment, supplies or services, in lieu of formal sealed bidding (RCW 39.04.190); and

WHEREAS, the monetary limits for the purchase of any materials, equipment, supplies or services are established in RCW 35A.40.210(2), which requires that the City follow RCW 35.23.352 because the population of Gig Harbor is less than twenty thousand; and

WHEREAS, RCW 35.23.352(6) does not require the City to call for bids to purchase materials, equipment, supplies or services, if the cost thereof is less than seven thousand five hundred dollars; and

WHEREAS, RCW 35.23.352(7) and (8) allow the City to choose between purchasing materials, equipment, supplies or services that cost over seven thousand five hundred dollars but less than fifteen thousand dollars through a call for bids or the procedure described in RCW 39.04.190; and

WHEREAS, in recognition of the above statutes, the City of Gig Harbor adopted Resolution 411, which created a process for purchasing supplies, materials and equipment, together with the procedures for awarding contracts through the small works roster process; and

WHEREAS, the City Council desires to establish the procedure separate from the small works roster process, so there will be no confusion regarding the applicability of this Resolution to the purchase of supplies, materials and equipment by all departments in the City of Gig Harbor; Now, Therefore,

THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. Resolution No. 411 is hereby repealed.

Section 2. The City Council establishes the following process for the purchase of supplies, materials and equipment by the various City departments:

**PURCHASE OF MATERIALS, SUPPLIES AND/OR EQUIPMENT**

**A. Exemption.**

1. As provided in RCW 39.04.280, competitive bidding requirements may be waived by the City Council for the following:
  - a. Purchases that are clearly and legitimately limited to a single source of supply;
  - b. Purchases that involve special facilities or market conditions;
  - c. Purchases in the event of an emergency;
  - d. Purchases of insurance or bonds; and
  - e. Public works in the event of an emergency.
2. If the City Council decides to waive competitive bidding requirements under section A(1) above, the Council shall adopt a resolution which describes the factual basis for the exception immediately after award of any contract. This does not apply in the event of an emergency.

3. In the event of an emergency, the City Council designates the City Community Development Director to act with regard to the subject matter of this Resolution, and he or she may declare an emergency situation exists, waive competitive bidding requirements and award all necessary contracts on behalf of the City to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the City Council in a resolution no later than two weeks following the award of the contract.

4. For purposes of this Resolution, “emergency” means unforeseen circumstances beyond the control of the City that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury or loss of life if immediate action is not taken.

**B. Cost.** The City is not required to use formal sealed bidding procedures or the procedures set forth in this Resolution, in order to purchase materials, supplies or equipment, as long as the cost of same will be less than seven thousand five hundred dollars (\$7,500.00). When the City desires to purchase materials, supplies or equipment estimated to cost seven thousand five hundred dollars (\$7,500.00) to fifteen thousand dollars (\$15,000.00), the procedures set forth in this Resolution may be used.

**C. Publication.** At least twice a year, the City shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of vendor lists and solicit the names of vendors for the lists.

**D. Telephone and/or Written Quotes.** The City shall observe the following process to obtain telephone quotes from vendors for the purchase of materials, supplies or equipment within the monetary limits set forth in subsection (B) of this Resolution:

1. a written description shall be drafted of the specific materials, equipment or supplies to be purchased, including the number, quality, quantity and type desired, the proposed delivery date, and any other significant terms of purchase;
2. a City representative shall make a good faith effort to contact at least three of the vendors on the roster established above, and, reading from the written description, obtain telephone quotes from the vendors on the required materials, equipment or supplies;
3. at the time such telephone quotes are solicited, the City representative shall not inform a vendor of any other vendor's bid on the materials, supplies or equipment;
4. a written record shall be made by the City representative of each vendor's bid on the materials, equipment and supplies purchased, and of any conditions imposed on the bid by such vendor;
5. all of the telephone bids or quotes 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.

**E. Determining Lowest Responsible Bidder.** The City shall purchase the materials, equipment or supplies from 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 or enter into direct negotiations to achieve the best possible price. The following factors, in addition to price, may be taken into account by the City in determining the lowest responsible bidder:

1. any preferences provided by law to Washington products and vendors;
2. the quality of the materials, supplies and equipment to be purchased;
3. the conformity of the materials, supplies and equipment to the City's specifications;

4. the purposes for which the materials, supplies and equipment are required;
5. the times for delivery of the materials, supplies and equipment;
6. the character, integrity, reputation, judgment, experience and efficiency of the bidder;

and

7. such other information as may have a bearing on the decision to purchase the supplies, materials or equipment.

**F. Life Cycle Costing.** In considering bids for purchase, whenever there is reason to believe that applying the “life cycle costing” method to bid evaluation would result in the lowest total costs to the City, first consideration shall be given to the bid with the lowest life cycle cost which complies with the specifications. “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. The “estimated useful life” of an item means the estimated time from the date of the acquisition to the date of replacement or disposal, determined in any reasonable manner.

**G. Award.** Immediately after the contract award is made, the written record of each vendor’s bids or quotes shall be open to public inspection and available to the public by telephone inquiry. Any contract awarded under this subsection need not be advertised.

**H. Posting.** A list of all contracts awarded under the above procedures must be posted at City Hall on the front entry bulletin board, at least once every two months. The list shall contain the name of the vendor awarded the contract, the amount of the contract, a brief description of the items purchased under the contract and the date it was awarded. The list shall also state the location where the bid quotations are available for public inspection.

RESOLVED by the City Council this 22<sup>nd</sup> day of July, 2002.

APPROVED:

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MAYOR, GRETCHEN WILBERT

ATTEST/AUTHENTICATED:

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CITY CLERK, MOLLY M. TOWSLEE

APPROVED AS TO FORM;  
OFFICE OF THE CITY ATTORNEY:

BY: \_\_\_\_\_  
CAROL A. MORRIS

FILED WITH THE CITY CLERK: 7/18/02  
PASSED BY THE CITY COUNCIL: 7/22/02  
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