

# Exhibit A



CITY OF  
BAINBRIDGE ISLAND

## PROCUREMENT POLICY

Effective Date: February 11, 2026  
Resolution No. 2026-02



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## **I.0 GENERAL**

### **1.1 Purpose**

This document is intended to direct the procurement of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The integrity, efficiency, and effectiveness of the City's procurement processes are critical elements of sound government.

### **1.2 Objectives**

The objectives of the City's Procurement Policy are as follows:

- To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner.
- To facilitate responsibility and accountability with the use of City resources.
- To ensure equal opportunity and competition among vendors and contractors.
- To promote effective relationships and clear communication between the City and its vendors and contractors.
- To comply with State procurement statutes governing expenditures of public funds.
- To promote use of recycled materials and products and dispose of surplus and scrap materials with regards to cost savings and the environment.

### **1.3 Scope**

These guidelines apply to purchases of:

- Supplies, materials, and equipment
- Professional services (including architectural, engineering and surveying services)
- Non-professional services (purchased services)
- Public works projects

The guidelines do not apply to the acquisition, sale, or lease of real property, except as described in Section 11.3. If grant or debt funding is involved in the proposed purchase, applicable requirements should be obtained from the funding agency. Such requirements may be more restrictive than the City's policy.

## 1.4 Controlling Laws

All procurements shall comply with appropriate and relevant Federal, State, and City laws and policies. If the appropriate and relevant Federal or State laws, regulations, grants, debt, or requirements are more restrictive than this Procurement Policy, such laws, regulations, grants, debt, or requirements must be followed.

The City Attorney shall be consulted when questions regarding potential conflicts arise. Applicable laws and regulations will be cited throughout this document.

## 1.5 Sustainable purchasing

The City shall acquire its goods and services in a manner that complies with all federal, state, City laws, and other requirements (e.g., City resolutions). The City shall purchase and use materials, products and services which are fiscally responsible, reduce resource consumption and waste, perform adequately, promote opportunities to lesser-advantaged segments of our community (Title VI page – City of Bainbridge Island Website) and promote human health and well-being when possible. Environmental and social equity impacts should always be considered when making purchasing decisions at the City.

Environmental factors to consider include but are not limited to:

- Pollutant releases: use non-toxic and least harmful chemicals, specifically avoiding products with persistent bio-accumulative toxins (PBTs) and intentionally added fluorinated chemicals
- Waste generation/end of life disposal options: use reusable, recyclable, and compostable products
- Greenhouse gas (GHG) emissions: minimize the release of GHGs from product manufacturing and transportation
- Energy and water consumption: choose products with ENERGY STAR or WATER SENSE certification where applicable
- Depletion of natural resources: use products with post-consumer recycled content; bio-based products; and Forest Stewardship Council certified and/or chlorine-free paper products
- Potential impact on human health and the environment: look for companies with B Corp Certification and suppliers who demonstrate in their business practices a commitment to the goals set forth in this policy
- See also Section 4.5 Environmentally Friendly Purchasing.

Social equity factors to consider include but are not limited to:

- Use of Veteran owned businesses
- Use of small, minority and women-owned businesses
- Ergonomic and human health impacts

The language below should be included in all solicitations of all service opportunities:

*The City actively supports utilization of WMBE (women and minority-owned businesses), Veteran Owned Businesses, Americans with Disabilities and those protected by Title VI on City contracts as both primes and subcontractors, and for consulting and purchasing contracts.*

Fiscal factors to be considered include but are not limited to:

- Lowest total lifecycle cost (considering costs for use of product – such as electricity use, disposal, maintenance, etc.)
- Leveraging our buying power
- Impact on staff time and labor
- Long-term financial/market changes
- Technological advances in a rapidly changing market

## **2.0 DETERMINING TOTAL PURCHASE COST**

### **2.1 Use Anticipated Cost**

The anticipated need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which contract approval level, cost threshold, or other related purchasing requirements apply.

### **2.2 No "Bid Splitting"**

Construction projects shall not be divided or "split" to avoid cost thresholds outlined in this Procurement Policy or in state law (RCW 35.23.352(1)) or federal law (FAR 13.003(c)(2)). For example, if an item being purchased or contracted for requires another item to "make a whole" project, the total accumulated costs of the two items (when they can reasonably be projected) should be used when determining which approval level and bidding requirement is used.

### **2.3 Costs Included**

Include costs such as taxes, freight, and installation charges when determining which cost threshold applies. Do not include the value of a trade-in. Trade-in value should be considered, however, to determine the lowest bid when competitive bidding is used.

### **2.4 Include Total Quantity Needed**

Requirements for the total quantity of an item (when they can be reasonably projected) should be considered when determining which cost threshold and related purchasing requirements apply.

### **3.0 CONTRACT APPROVAL LEVELS**

These approval levels are designed for Contracts/Agreements whose costs are covered by budget appropriations previously approved by the City Council. Capital funded Contracts/Agreements requiring additional budget appropriations must be approved by the City Council. Any Contracts/Agreements that exceed the thresholds noted below via a Change Order or Amendment, must follow the signing/purchasing authorizations noted. Further guidance on Change Order thresholds can be found in Section 5.14. Further guidance on Amendments to service agreements can be found in Section 6.4.

#### **3.1 Equipment, Supplies, & Materials (Unrelated to A Public Works Project)**

##### **3.1.1 \$50,000 or Less**

Purchases in this price range are to be approved by the City Manager or designee.

##### **3.1.2 \$50,001 or More**

Purchases in this price range are to be approved by the City Council.

#### **3.2 Professional Services**

##### **3.2.1 \$50,000 or Less**

Agreements in this price range are to be approved by the City Manager or designee.

##### **3.2.2 \$50,001 or More**

Agreements in this price range are to be approved by the City Council.

#### **3.3 Non-Professional Services (Purchased Services)**

##### **3.3.1 \$50,000 or Less**

Contracts in this price range are to be approved by the City Manager or designee.

##### **3.3.2 \$50,001 or More**

Contracts in this price range are to be approved by the City Council.

#### **3.4 Public Works Projects (Including Related Materials, Supplies, and Equipment)**

#### **3.4.1 \$50,000 or Less**

Contracts in this price range are to be approved by the City Manager or designee.

#### **3.4.2 \$50,001 or More**

Contracts in this price range are to be approved by the City Council.

## **4.0 EQUIPMENT, SUPPLIES, & MATERIALS (UNRELATED TO A PUBLIC WORKS PROJECT) AND NON-PROFESSIONAL SERVICES (PURCHASED SERVICES)**

The following estimated cost thresholds apply when procuring purchased services and equipment, supplies and materials unrelated to a public work project. Refer to Section 7.0 in situations involving *emergency* purchases of equipment, supplies, & materials.

Non-professional services, referred to as “purchased services” by the Municipal Research and Services Center (MRSC), are for routine and continuing functions, mostly related to physical activities that:

- Follow established or standardized procedures.
- Contribute to the day-to-day business operations.
- Completion of assigned and specific tasks
- Require only routine decisions.
- May require payment of prevailing wages.

Examples include delivery services, landscaping and janitorial services, vehicle inspection and repair services, HVAC system maintenance, and office furnishings installation and repair service. Consult with the City Attorney prior to contracting for these services for advice on bidding and prevailing wage requirements.

### **4.1 \$25,000 OR LESS – No Solicitation or Advertisement Needed**

Procurements or purchases in this price range may be entered through direct negotiation and without advertisement or use of a roster. Competition is not required, though departments should still make every effort to receive the best qualified vendor and price possible. Award will be based on qualifications and price. Invoices will be submitted for payment. (For \$5,001 to \$25,000 it's advised to use a Purchase Order in Munis to encumber the agreed amount).

### **4.2 \$25,001 TO \$99,999 – 3 minimum Quotes**

For procurements or purchases in this price range, solicitation is preferred and at least three quotes obtained when possible. Quotes may be obtained by telephone or in writing (electronic submittals are ok). Documentation (e.g., date, time, vendor contact name, phone #, and email) on all quotes should be retained for reference. Award will

be based on qualifications and price.

### **4.3 \$100,000 or More – Competitive Quotes**

For procurements or purchases in this price range, competitive quotes should be solicited from at least three vendors. Quotes submitted by each vendor do not need to be sealed but shall be in writing only (electronic submittals are ok). A bid security may be required in an amount and type approved by the Department Director. The award of the contract will be based on qualifications and price. Documentation (e.g., date, time, vendor contact name, phone number and email) on all quotes must be retained for reference.

### **4.4 Alternative Methods of Procurement and Purchasing**

If applicable, the City may utilize any one of the following methods as an alternative to the requirements of Sections 4.1, 4.2, and 4.3 above.

#### **4.4.1 Auctions**

RCW 39.30.045 allows for the purchase of any supplies or equipment at auctions rather than through competitive bidding if the items can be obtained at a competitive price. This authority allows the City to make a purchase on an internet-based auction service, such as eBay, as well as through in-person auctions. The City may also use federal, state, or local governmental auctions.

#### **4.4.2 Purchasing Surplus Property from Other Governmental Agencies**

RCW 39.33.010 allows for the purchase of surplus property from other governmental agencies without regard to bid laws.

#### **4.4.3 Contracting for Services with Other Governmental Agencies**

RCW 39.04.080 authorizes one public agency to contract with another public agency to perform any function which each agency is authorized by law to perform itself (piggybacking). The City can contract additionally with Co-op agencies as outlined in RCW 39.34.030 and further in Section 11.0 of this policy.

#### **4.4.4 Telecommunications and Data Processing Equipment**

When purchasing telecommunications and data processing (computer) equipment or software costing above the bid limit, municipalities may follow a “competitive negotiation” process authorized by RCW 39.04.270. Municipal

Research Services Center has outlined this process in greater detail and should be referenced for guidance.

## 4.5 Environmentally Friendly Purchasing

**4.5.1** Where appropriate environmentally friendly products are available and reasonably priced compared to competing products, such environmentally friendly products are to be purchased by the City. Environmentally friendly products may include, but are not limited to, products that are: less toxic or hazardous, energy and water efficient, recyclable, or made from recycled content or renewable resources, bio-based, sustainably certified, or shipped or made with reduced packaging.

**4.5.2** For City sponsored or hosted events (for staff or the public), the City shall comply with BIMC 8.24 regarding disposable food service ware and waste reduction. Reusable food service ware (such as plates, cups, and utensils) shall be used for on-site dining whenever possible, and condiments shall be provided in bulk containers. Any disposable food service ware provided must comply with BIMC 8.24.

**4.5.3** Pursuant to Resolution No. 2016-11, the City will not purchase landscaping materials, including plants and seeds, that have been treated with neonicotinoids, except for use in: (a) a well-defined research study; or (b) when the life or health of a valuable or significant tree is threatened and neonicotinoid application is the least environmentally impactful option.

**4.5.4** Pursuant to Chapter 16.30 BIMC, the City will not purchase any pesticide, except for those included on the Least Toxic Products List established by Resolution 2003-23 or subsequent resolutions of the City Council.

## 5.0 PUBLIC WORKS PROJECTS

As defined in RCW 39.04.010, *public works* include all work, construction, alteration, repair, or improvement (other than *ordinary maintenance* and professional services associated with the public works project) executed at the City's cost, or which is by law a lien or charge on any property therein.

### 5.1 Defining Project Cost

The cost of a public works project includes the costs of materials, supplies, equipment, and labor on the construction of that project. Section 2.0 of this manual provides additional guidance on determining project cost.

### 5.2 Public Works Performed by City Employees

RCW 35.23.352(1) allows City employees to perform public works projects if the project's estimated cost is lower than the bidding limits (\$75,500 single craft/trade or \$150,000 multiple craft/trade).

Work performed within the City by other public employees under an interlocal agreement shall also be included in these limits.

### 5.3 Bid Requirements and Solicitation Type

Pursuant to RCW 35A.40.210, procedures for any public work undertaken by the City is governed by RCW 35.23.352, which requires the City to call for bids whenever the cost of a public work exceeds \$150,000, if more than one craft or trade is involved. If only a single craft or trade is involved, or if the project is for street signalization or street lighting, bids must be called for if the cost is greater than \$75,500. RCW 35.23.352 also authorizes the City to utilize, at the City's discretion, the statewide small works roster outlined in RCW39.04.151 and the small works roster process outlined in RCW 39.04.152, described in more detail in Section 5.3.1 below.

In accordance with these provisions of state law, the following cost thresholds and bidding procedures apply when the City is soliciting bids for a public works project:

#### 5.3.1 \$0 to \$350,000 – Invitation to Bid via the MRSC Small Works Roster

Under WAC 200-330-040 and RCW 39.04.152, the City is authorized to use the small works roster process to award public work contracts estimated to cost \$350,000 or less (excluding sales tax). The city authorizes the small works process using the invitation to bid option only.

Under RCW 39.04.151, a small works roster consists of all responsible contractors who have requested to be listed and are properly licensed or registered to perform such work in the State of Washington. As an alternative to creating and maintaining the City's own small works roster for construction of public works projects, the City Manager has authorized the City to enter into an agreement with the Municipal Research and Services Center (MRSC) for the use of the statewide small works roster.

All contractors on the applicable roster shall be included in the invitation to bid. An invitation for bid shall include:

- Scope of work
- Schedule
- Engineers Estimate
- Bid Evaluation / Award Criteria
- Contract
- Bid Form (including bid due date and how to submit bid)
- Contact Information

The contract will be awarded to the responsible bidder with the lowest responsive bid.

RCW 39.04.151 through 39.04.154 requires the City to annually publish a list (or location of list) of small works contracts awarded. 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 the contract was awarded. The list should also note the location where the bid quotations for the contracts reside for public inspection.

**Note:** If the estimated cost of the public works project is \$250,000 or greater and funded as a whole or in part by Federal funds, then the formal competitive bidding process outlined in Section 5.3.2 is required. This threshold is set by the federal government at 2 CFR § 200.88 and 48 CFR § 2.101 ("Simplified acquisition threshold") and is subject to periodic adjustment for inflation pursuant to 41 U.S.C. § 1908.

The chart below outlines the small works requirement at each project estimate threshold. The chart in Chapter 13, Summary of Procurement Guidelines, gives greater guidance on signing authorities and contract mechanisms allowed for small works use.

| Project Estimate      | Competition  | Contract Retainage   | Payment & Performance Bonds   | Intent & Affidavit   |
|-----------------------|--|--|---|--|
| \$150,000 or less     | Invite bids from every contractor on the *project specific roster. | \$5,000 or less: Payment & Performance Bonds are not required. | \$5,001 - \$150,000: A Payment & Performance option is required. Per RCW 39.08.010(3), on contracts \$150,000 or less, the Contractor may request to retain 10% of contract amount retained in lieu of a payment and performance bond. This 10% P&P Retainage is in addition to the 5% Contract Retainage. See Sections 5.7 and 5.8 for distinction between Payment and Performance Bonds and Contract Retainage.<br><br>\$20,000 or less: Contract Retainage is not required.<br><br>\$20,001 or more: Contract Retainage is required. | Intent and Affidavits required for all small works projects. |
| \$150,001 - \$350,000 |  | Required   |   |  |

\*Project Specific Roster is the list of contractors provided from the statewide small works roster, specific to the type of work being queried.

### 5.3.2 \$350,001 or Greater – Formal Competitive Bid Advertisement

Whenever the cost of the public work or improvement, including materials, supplies, and equipment, will exceed the amount outlined in RCW 35.23.352(1) (i.e., \$350,000), contracts shall be let at public bidding.

#### 5.3.2.a Council Authorization for Advertisement

All construction projects greater than \$350,000 must receive authorization for advertisement by the City Council. Typically, this approval takes the form of a consent agenda item that includes the scope of work, CIP (if applicable) or available budget, vicinity map, estimated bid window, and estimated cost if available. Any other information that may be relevant to the project may be added to help the Council understand the nature of the project.

#### 5.3.2.b Public Notice

For contracts that require a formal competitive bidding process, a notice shall be published in the official newspaper at least 13 days prior to the due date for bids. For all Federal Aid projects as per the WSDOT LAG Manual Chapter 46.2.24, an advertisement must run for a three-week period prior to opening of the bids. They must run at least twice, 21 calendar days prior to the last date upon which the bids will be received.

Advertisements for bids should include, at a minimum, the following items:

- Title of the project
- Nature and scope of the work
- Materials and equipment to be furnished
- Where contract documents (plans, specifications) may be obtained
- Cost to obtain a set of contract documents
- Place, date, and time that bids are due
- Statement that a bid bond must accompany the bid
- Statements that the City retains the right to reject any or all bids, and to waive minor irregularities in the bidding process Title VI, ADA, Veteran, and WMBE requirements and reference language as noted in Section 1.5.

#### **5.3.2.c Bid Surety**

Each bid submitted through a formal competitive bidding process shall be accompanied by a bid surety for a sum of not less than five percent of the amount of the bid. The bid surety may be in the form of a cashier's check, postal money order, or surety bond provided by a surety company that is authorized to do business in Washington State on a form approved by the City Attorney's Office. No bid solicited through a formal competitive bidding process shall be considered unless accompanied by such a bid surety.

If a bidder is permitted to withdraw a bid before award, their bid surety shall be returned.

#### **5.3.2.d Non-Collusion Affidavit**

Each bidder shall be required to warrant that their bid is genuine, and that they have not colluded with other bidders, by submitting with their bid an executed and notarized affidavit on a form approved by the City Attorney.

#### **5.3.2.e Public Works over \$1 Million**

Per RCW 39.30.060, for all construction, alteration or repair of any public works project expected to cost one million dollars or more, requires the following from the following from the Prime Contractor:

- At the published bid submittal time, the names of the licensed subcontractors and proof of license with whom the bidder, if awarded the contract, will subcontract for performance of the work of: HVAC (heating, ventilation, and air conditioning); plumbing as described in chapter 18.106 RCW; and electrical as described in chapter 19.28 RCW, or to name itself for the work, if it is licensed to perform the work for which it has named itself.

- Within 48 hours after the published bid submittal time, the names of the subcontractors with whom the bidder, if awarded the contract, will subcontract for performance of the work of structural steel installation and rebar installation.

Errors identified by the contracting agency in the proof of license information must be corrected by the bidder within 48 hours of submission.

#### 5.3.2.f Apprenticeship

In accordance with RCW 39.04.320, for all public works estimated to cost two million dollars or more, the State of Washington requires no less than 15% of the labor hours to be performed by apprentices. A contractor or subcontractor may not be required to exceed the 15% requirement. On applicable projects, the bid documents shall include an Acknowledgment of Apprenticeship Utilization form that must be submitted at time of bid. The acknowledgment notes the contractor will provide an Apprentice Utilization Plan (AUP) prior to Notice to Proceed. The Plan shall refer to the minimum required percentage of apprentice labor hours compared to the total labor hours. The project's apprenticeship utilization rate (AUR) will be monitored by the project manager using the Labor and Industries (LNI) project portal. The project's AUR will be confirmed by the agency using the approved affidavits from the LNI portal.

**A. Incentives** - A contractor who meets or exceeds the AUR on eligible contracts will be awarded a monetary incentive described in the bid specifications. The incentive payment will be made to the prime contractor upon project acceptance.

**B. Penalties** – A contractor who fails to meet the utilization requirement and fails to demonstrate a Good Faith Effort (GFE), as outlined below, is subject to penalties described in the bid specifications. The prime contractor will receive an invoice payable to the city prior to final project payment.

**C. Cost Value** – The expected cost values associated with meeting the goal is included in the base bid as described on the bid form.

**D. Utilization Plan** – The contractor shall provide an AUP demonstrating how and when they intend to achieve the AUR. The plan shall have enough information to track the Contractors' progress in meeting the utilization requirement. The contractor shall submit the plan on the AUP template prior to Notice to Proceed. The contractor shall provide an updated AUP during construction when there are significant changes to work, subs, or schedule which may affect their ability to meet the requirement. If the plan indicates that the contractor will not attain the AUR during the construction period, then the contractor must submit a Good Faith Effort (GFE) document to the City for review.

**E. Good Faith Effort** - A Good Faith Effort (GFE) as it applies to apprenticeship, is an option that requires the contractor to provide documentation to the City that they tried to attain the Apprenticeship Utilization Requirement (AUR).

If a GFE is the option chosen by the contractor, then the Apprentice Utilization Good Faith Efforts Documentation form shall be submitted to the agency outlining in detail why they were not able to attain the Apprenticeship Utilization Rate (AUR).

## 5.4 Unit Price Contracts

Under RCW 35.23.352(13), the City is authorized to procure public works with a unit priced contract. Unit priced contracts allow the City to contract for anticipated types of public works projects on a recurring basis, where the contractor agrees to supply an indefinite quantity of work at a defined unit price over a fixed period.

Unit priced contracts are executed for an initial contract term not to exceed three years. However, there is an option of extending the contract for one additional year.

Unit priced contracts must be awarded to the lowest responsive and responsible bid, and unit price contractors must pay prevailing wages in accordance with RCW 35.23.352(13)(e). The City shall comply with all of the requirements of RCW 35.23.352(13) when soliciting bids and awarding unit priced contracts.

## 5.5 Bid Specifications

Bid specifications should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be provided. Such descriptions should not contain features that unduly restrict competition.

When it is impractical or uneconomical to make clear and accurate description requirements, a "brand name or equal" description may be used. The responsibility of demonstrating to the City's satisfaction that a product is "equal" to that specified shall be on the vendor proposing the substitution.

Requests for approval of substitutions must be made with sufficient time to allow the City to adequately review the proposal, including time for vendors to respond to questions and requests for additional information or clarification. The City has no obligation to accept proposed substitutions.

Acceptance of a substitute product proposed as an "equal" to that specified will be made in writing. If this acceptance occurs prior to the bid, other bidders will be notified to the extent practical.

## 5.6 Submittal of Bids

Bids will be submitted as specified in the invitation for bid by the appointed date and time listed in the invitation. Each bid will be dated, and time stamped as it is received. Late bids will not be accepted. If the bid is a sealed bid, all qualified bids will be opened and read aloud publicly at the appointed time.

No City representative shall inform a contractor of the terms or amount of any other contractor's bid for the same project prior to the bid opening date and time. Once bids have been submitted (and opened, if the bids are sealed), the city may not negotiate with bidders.

A written record shall be made of each contractor's bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations shall be recorded, open to public inspection, and available by electronic request.

Original specifications and the original bid responses will be retained for review and audit as required.

## 5.7 Cancellation & Rejection of Bids

An invitation for bids may be cancelled. Additionally, the City (at its sole discretion) may choose to reject any or all bids, in whole or in part, except as otherwise provided under state or federal law or as conditions of receiving state or federal funding. Bids solicited via the Small Works Roster may be rejected by the Public Works Director. Rejection of bids solicited via Formal Bidding Procedures must be approved by City Council via resolution.

## 5.8 Requests for Copies of Bids Received

In accordance with RCW 39.04.105, within two business days of the bid opening on a public works project that is the subject of competitive bids, the City will provide, if requested by a bidder, copies of the bids the City received for the public works project. The City will not execute a contract for the public works project for two full business days from the date that copies of the received bids are provided. Intermediate Saturdays, Sundays, and legal holidays are not counted as "business days."

## 5.9 Bid Protests

A bidder wishing to protest the City's award of a contract for a public works project that was the subject of competitive bidding must follow the procedures described below. To the extent that these procedures are not followed, the City will not review a bid protest submitted by a bidder.

### **5.9.1 Procedure for Submission of a Bid Protest**

All bid protests must be filed in writing with the City Clerk no later than two full business days following bid opening and must:

- Explicitly identify itself as a bid protest.
- Explicitly identify the bid/project/request for which the protest is made.
- Explicitly state all reasons and bases in law and fact supporting the protest; and
- Include all supporting documents.

### **5.9.2 Consideration of A Bid Protest**

Submitted bid protests complying with the requirements outlined above will be reviewed by the City Manager or designee, the City Attorney, and the Public Works Director, or their designees.

The bid protest will be decided based upon the written materials, supporting documents, and other information submitted with the bid protest as well as other records or information known to the City relating to the public works project in question. If a meeting or conference with the protesting bidder would materially assist the City in making its decision, a meeting may be scheduled at the discretion of the City Manager or their designee.

Only those issues identified by the bidder in the written protest filed with the City Clerk will be considered. The City Attorney or their designee will issue a written decision no later than 10 business days after the filing of the bid protest with the City Clerk, which shall be the final decision of the City on the bid protest.

## **5.10 Award**

The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids, or all bids will be rejected. However, in accordance with RCW 35.23.352(2), if the City issues a written finding that the lowest responsive and responsible bidder has delivered a project to the City within the last three years which was late, over budget, or did not meet specifications, and the City does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications, then the City may award the contract to the second lowest responsive and responsible bidder whose bid is within five percent of the lowest bid. If in any year a contract is awarded to the second lowest responsive and responsible bidder in this manner, the City will prepare an annual report as required under RCW 35.23.352(14).

RCW 39.04.350 establishes bidder responsibility criteria. Before the City accepts a contractor's bid, the contractor must:

- Be a registered contractor at the time of bid submittal (RCW 18.27.020)
- Have a current Unified Business Identifier (UBI) number
- Have industrial insurance coverage
- Have an employment security department number
- Have a state excise tax registration number
- Have never been disqualified (debarred) from bidding under RCW 39.06.010 or 39.12.065(3)

The City also requires that the contractor must:

- Have or agree to obtain a current City business license
- Be current with all applicable licenses, taxes, and fees owed to the City of Bainbridge Island

In addition, the City adopts the following supplemental criteria which may be used in connection with specified projects:

- The ability, capacity, and skill of the bidder to perform the contract or provide the service required
- The character, integrity, reputation, judgment, experience, and efficiency of the bidder
- The ability of the bidder to perform the scope of work within the time specified
- The quality of performance of previous contracts or services
- The previous and existing compliance by the bidder with laws relating to the contract or services
- Such other information as may be secured having a bearing on the decision to award the contract

When using the supplemental criteria described above, the City will include the supplemental criteria in the bidding documents, together with a basis for evaluation, deadline for bidder to submit responsibility documentation, and deadline for bidder to appeal a “not responsible” determination.

When a trade-in option exists, as it is applied to competitive purchases, and is in the City’s best interest, the price offered on the trade will be considered when determining the lowest responsive and responsible bid.

RCW 39.30.040 allows any local sales tax revenue generated by the purchase to be considered in determining the lowest responsive and responsible bid. Other preferences favoring local businesses are not permitted.

## 5.11 Prevailing Wages

It is the City's duty per RCW 39.12.040 to require contractors to pay prevailing wages on all public works contracts. Further, per RCW 35.23.352(13)(e), unit price contracts must have prevailing wage rates updated annually.

All contractor/subcontractor "Statements of Intent (SOI) to Pay Prevailing Wages" must be posted and viewable on Washington State's Department of Labor and Industries Prevailing Wage Intents and Affidavits (PWIA) portal prior to any project payment made on a project. An "Affidavit of Wages Paid (AWP)" must be posted and viewable in the PWIA following the City Managers project acceptance. As for RCW 60.28.011, projects funded with Federal transportation funds (whole or in part), must have all "Affidavits of Wages Paid (AWP)" posted for view within the PWIA portal prior to the City Managers project (contract) acceptance.

For unit-priced contracts, prevailing wage rates must be updated annually, using the rates in effect at the beginning of each contract year, and intents and affidavits for prevailing wages paid must be submitted annually for all work completed during the previous 12 months.

## 5.12 Payment and Performance Bonds

Payment and performance bonds ensure the contracted work will be completed, and that workers, vendors and subcontractors will be paid.

RCW 39.08.010 requires payment and performance bonds for every public works contract except as described below:

- For small works projects less than \$5000, payment and performance bonds are not required.
- RCW 39.08.010 allows the City, at the option of the contractor, to retain 10% of the contract in lieu of bonds on contracts \$150,000 and less. This 10% will be held for 30 days after project acceptance, or until receipt of all necessary releases from the Department of Revenue, Department of Labor & Industries, and Employment Security Department and settlement of any liens filed under Chapter 60.28 RCW, whichever is later. The intent of this exception is to assist small-scale contractors who may have difficulty securing bonds. If this request is not made, the contractor is required to provide payment and performance bonds for projects \$5000 and greater.
- For Small Works projects estimated at \$150,001 to \$350,000, Payment and Performance bonds are required.
- All bonds shall be executed by a surety company authorized to do business in Washington State, in an amount equal to 100% of the price specified in the contract. The bonds shall be issued on a form approved by the City Attorney's Office.

- RCW 39.08.015 subjects the City to claims of laborers, materialmen, subcontractors, and mechanics if the required payment and performance bonds are not obtained.

### 5.13 Contract Retainage

Contract Retainage ensures that any claims, taxes, or penalties associated with the contracted work will be satisfied.

RCW 60.28.011(1)(a) requires contract retainage for every public works contract, except as described below:

- RCW 39.04.152(5) allows the City to waive contract retainage requirements for contracts awarded through the small works process. It is the City's practice to require contract retainage on all contracts \$20,001.
- Under RCW 60.28.011(1)(b), the City is prohibited from withholding retainage in public works projects funded in whole or in part by federal transportation funds. Instead, agencies must rely on the contractor's payment and performance bonds.

Failure of the prime contract bidder to submit as part of the bid the names of such subcontractors or to name themselves to perform such work or the name of two or more subcontractors to perform the same work shall render the primary contract bidder's bid nonresponsive and, therefore, void.

### 5.14 Construction Change Orders

Change orders are to be approved in accordance with the cost thresholds outlined in this section, provided that the changes do not increase the project's cost more than previously approved budget appropriations.

The City Council must approve any change order that increases a project's cost beyond previously approved budget appropriations.

**5.14.1 Contract totals up to \$500,000;** the City Manager or designee may approve cumulative change orders up to \$50,000.

**5.14.2 Contract totals greater than \$500,000,** the City Manager or designee may approve cumulative change orders up to 10% of the original contract value, after which the Council must authorize the City Manager or designee to approve all future changes.

In the event unforeseen conditions necessitate an immediate change to avoid a contractor's claim against the City for delays, or to avoid other critical cost or risk factors, the City Manager or designee may authorize and direct work irrespective of the limits above, provided any work change directive issued in excess of the City Manager's authority shall be incorporated into a change order and presented to the City Council as soon as practicable.

### **5.15 Project Acceptance**

At the completion of a public works project, as confirmed by the Director of Public Works or designee, the City Manager or designee is authorized to accept the work. For all projects more than \$350,000, the Public Works Department will, via consent agenda, request City Council's concurrence with the City Manager's recommendation for project acceptance.

The Director of Public Works, Director of Planning and Community Development, and the Director of Finance, or their designees, are further authorized to sign exoneration and release forms for bonds and other security devices submitted with respect to project completion.

## 6.0 PROFESSIONAL SERVICES

Professional services are services which provide professional or technical expertise to accomplish a specific study, project, task, or other work statement.

Professional services include:

- Architectural, Engineering, or Surveying (AES) services, including but not limited to:
  - Architectural plans (including landscape architecture)
  - Road design
  - Sewer system design
  - Water system design
- Non-AES Services, including but not limited to:
  - Legal Assistance and Services
  - Advertising Services
  - Employment/Recruiting Services
  - Financial Advice, accounting and auditing
  - Bond or insurance brokerage
  - Consulting services
  - Real estate appraisal or title abstracts
  - Relocation assistance
  - Graphic Design
  - Soils analysis or core testing

### 6.1 Architectural, Engineering, or Surveying (AES) Services

Services for professional architectural, engineering, or surveying (AES) services are procured using the Qualifications-Based Selection (QBS) requirements in Chapter 39.80 RCW. **Solicitation for AES services may not request a price.** The City must first select the most qualified firm and then negotiate a price for the project.

#### 6.1.1 Annual Roster for AES Services Less Than \$100,000

As an alternative to creating and maintaining the City's own annual roster for the procurement of architectural, surveying, engineering and other services, the City elects to use the Consultant Roster established under RCW 39.04.151(2) and administered by the Municipal Research Services Center of Washington.

The City encourages architectural, engineering, surveying, and other service consultants to submit to MRSC a statement of qualifications and performance data annually. When services are needed, the City will evaluate current statements of qualifications and performance data on file. The City continues to have the option to formally advertise for consultant qualifications aside from using the Statewide Roster. Federal Requirements for advertising services shall be followed.

- **Estimated Cost for Services: \$0 to \$25,000**
  - Project Staff may select consultant from the MRSC Consultant Roster.
  - Department Director to review and approve staff recommendation for proposal/firm award.
  
- **Estimated Cost for Services – Informal Solicitation: \$25,001-\$99,999**
  - Project Staff may select consultants from the MRSC Consultant Roster.
    - Develop detailed criteria and prepare Request for Proposal (RFP) (See Section 6.2.2)
    - Distribute to at least three (3) firms for a proposal in response to the RFP
    - Evaluate submittals and make award decisions
    - Document the selection decision process to the project file

For services estimated to cost greater than \$50,000, establish a panel of at least three staff members and/or other stakeholders to evaluate and score each firm’s proposal.

Regardless of estimated cost of services, project staff should review and confirm that all proposals received meet the requirements outlined in the solicitation.

After the best proposal/firm is determined, fees may be discussed and negotiated. If the fee for work cannot be negotiated successfully, project staff may work with another proposal/firm.

**6.1.2 Request for Qualification (RFQ) for AES services \$100,000 or more**

AES consultant solicitations shall follow the RFQ procedures outlined in Section 6.2.2.

Further, the City must select the most qualified consultant first for any services needed. The City will then negotiate an agreement with the most qualified consultant at a price that the City determines is fair and reasonable. In making its determination, the City will consider the estimated value of the services to be rendered as well as the scope, complexity, and professional nature of the service to be provided. If the City is unable to negotiate a satisfactory agreement with the consultant selected at a price that is determined to be fair and reasonable, negotiations with that consultant will be formally terminated. Another qualified consultant will then be selected, and the process continues until an agreement is reached or the process is terminated.

**6.2 Non-AES Services**

As the first step in the evaluation and hiring of a consultant, the City may use either:

- the statewide annual consultant roster, or
- a roster of consultants generated by research, or

- a roster generated by solicitation of Request for Qualifications (RFQ).

The roster of qualified consultants gained from one of these exercises may be retained for a period of six months to be called upon for additional RFPs/scopes of work as needed.

### 6.2.1 Consultant Rosters for non-AES services Less Than \$100,000

- **Estimated Cost for Services:** \$0 to \$25,000
  - No formal solicitation is required.
  - Department Director to review and approve staff recommendation for proposal/firm award.
- **Estimated Cost for Services – Informal Solicitation:** \$25,001-\$99,999
  - Project Staff may select consultant(s) from a roster or other source without advertising.
    - Develop detailed criteria and prepare RFP/RFQ
    - Distribute to at least two (2) firms for a proposal in response to the RFP/RFQ
    - Evaluate submittals and make award decisions

For services greater than \$25,000, establish a panel of at least two staff members and/or other stakeholders to evaluate and score each firm's proposal.

Regardless of estimated cost of services, project staff should review and confirm that all proposals received meet the requirements outlined in the solicitation.

After the best proposal/firm is determined, fees may be discussed and negotiated. If the fee for work cannot be negotiated successfully, project staff may work with another proposal/firm.

### 6.2.2 Formal Solicitation for non-AES services \$100,000 or more

Solicitation for all professional services estimated to cost \$100,000 and above must be authorized by the City Council. At this threshold, a more structured process is followed:

- Advertisement approval takes the form of a consent agenda item that provides information on the scope of work of the project, and the estimated budget and cost.
- Develop detailed criteria and prepare RFP/RFQ.
- Advertise on the City's website, in newspaper of record, and in the Daily Journal of Commerce.
- Evaluate RFQ/RFP submittals and short-list multiple firms for further consideration. Project staff should confirm that all qualifications/proposals received meet the requirements outlined in the solicitation.
- If an RFQ was used first, request detailed proposals from short-listed firms.
- Establish panel, hold interviews, and check references.

- Evaluate proposals, establish recommended award decision, and present to Department Director for approval.
- After the best proposal/firm is determined, fees may be discussed and negotiated. If the fee for work cannot be negotiated successfully, project staff may work with another proposal/firm.

An advertised RFQ or RFP, as defined below, is required. The primary difference between an RFQ and an RFP is that an RFQ solicits desirable *qualifications* for a *type* of work to be conducted, while an RFP solicits *scope* of work and price.

An **RFQ** should include:

- Desirable Qualifications
- Submittal Content (e.g., resume(s), three references, samples of work)
- Estimated budget
- Estimated schedule
- Evaluation criteria
- General Provisions and Conditions
  - e.g., The City reserves the right to
    - Reject any and all responses
    - Cancel, revise, or extend this solicitation
    - Request additional information
    - Have the final decision on the selection
    - Modify the timeline and issue addenda to this document
- Instructions regarding the submittal information
  - e.g., page limitations, number of copies, etc.
- Evaluation/Selection Process deadlines

An **RFP** should include:

- Scope of Work, describing project tasks
- Estimated Budget
- Estimated Schedule
- Proposed Cost
- Proposed Schedule
- Copy of Professional Services Agreement Terms & Conditions
- Submittal Content (e.g., resume(s), three references, samples of work)
- Evaluation criteria
- General Provisions and Conditions
  - e.g., The City reserves the right to
    - Reject any and all responses
    - Cancel, revise, or extend this solicitation
    - Request additional information
    - Have the final decision on the selection
    - Modify the timeline and issue addenda to this document

- Instructions regarding the submittal information
  - e.g., page limitations, number of copies, etc.
- Evaluation/Selection Process deadlines

### 6.3 Funding Requirements

All projects that are funded by state/federal grant funds must follow the guidelines set forth in the grant agreement. For example, a WSDOT federally funded project must formally advertise service contracts regardless of the estimated cost threshold (See section 31.12a of the WSDOT Local Agency Guidelines).

### 6.4 Amendments

The City Manager or designee may execute amendment(s) to an agreement without City Council approval, provided that:

- For agreements not approved by City Council, the amendment(s) does not cumulatively exceed the City Manager's signing authority (Section 3.0, \$50,000) and is within the approved budget; and/or
- For agreements/amendments approved by City Council, the amendment(s) does not cumulatively exceed \$50,000 beyond the agreement value previously approved/amended by City Council and is within the approved budget; and/or
- The amendment(s) extends the time of completion.

All changes to the scope of work must be made by an amendment. Substantial changes to the scope of work must be submitted to the City Attorney for determination as to whether the work should constitute a new agreement.

## 7.0 COMPETITIVE BIDDING EXEMPTIONS AND EMERGENCIES

Under RCW 39.04.280, competitive bidding requirements may be waived for:

- a. Purchases that are clearly and legitimately limited to a single source of supply.
- b. Purchases involving 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.

Purchases may be made from a *sole source* vendor without soliciting other quotes or bids. In non-emergency situations, written documentation demonstrating the appropriateness of a sole source purchase shall be submitted to the Finance Department in advance of the purchase. Finance (and the City Attorney, when needed) will evaluate whether a vendor can legitimately be defined as a sole source.

Purchases involving special facilities or market conditions may be made without soliciting quotes or bids. In non-emergency situations, written documentation demonstrating the appropriateness of a purchase involving special facilities or market conditions shall be submitted to the Finance Department in advance of the purchase. Finance (and the City Attorney, when needed) will evaluate whether special facilities or market conditions legitimately exist.

In accordance with RCW 39.04.280 and Chapter 2.44 BIMC, if an *emergency* exists, the City Council, the City Manager or designee, the Finance Director, or the person(s) designated by the City Manager or designee to act in the event of an emergency may:

- Declare that an emergency exists.
- Waive competitive requirements.
- Award, on behalf of the City, contracts necessary to address the emergency (including, but not limited to, contracts for architectural and engineering services).

Chapter 2.44 BIMC contains additional provisions relating to emergency management. RCW 39.04.280 requires that a written finding of the existence of an emergency be made and entered into the public record no later than two weeks following the award of the contract. In accordance with BIMC 2.44.110, such written findings authorizing the emergency procurement shall be presented to the City Council for ratification and

confirmation, modification, or rejection. However, all emergency procurements under this section shall be in full force and effect until the City Council acts otherwise.

See the Emergency Operations Center (EOC) Manual for additional information on the resource request process used in the EOC during emergencies.

## **8.0 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS**

RCW 39.34.030 allows the City to join with other governmental agencies for the purchase of supplies, equipment, or services. This is done by entering into a written Intergovernmental Cooperative Purchasing Agreement (also known as an “Interlocal Agreement”).

Prior to making a purchase under such an agreement, the City must ensure that the procedure used by the agency that originally awarded the bid, proposal, or contract is allowable with the City’s purchasing policy. The originating agency must also have fulfilled one of two additional public notice requirements:

- Posted the bid or solicitation notice on a web site established and maintained by a public agency, purchasing cooperative, or similar service provider, for purposes of posting public notice of bid or proposal solicitations.
- Provided an access link on the state’s web portal to the notice.

The City may also make a bid call with another government entity as a joint purchase that complies with the procurement requirements of both jurisdictions.

When practical, the City should include language in its solicitations that allow other public agencies to purchase from City of Bainbridge Island’s contracts or purchase orders, provided that other agencies provide similar rights and reciprocal privileges to the City of Bainbridge Island.

Pursuant to RCW 39.34.030, the City may make purchases through state contracts. The City has signed a Master Contracts Usage Agreement with the Department of Enterprise Services (“DES”). The DES’ webpage provides information and instructions for making purchases with the state contract.

The City Manager or designee shall approve all Intergovernmental Cooperative Purchasing Agreements.

## **9.0 BID PROTESTS**

A bidder wishing to protest the City's award of a contract for a public works project that was the subject of competitive bidding must follow the procedures described below. To the extent that these procedures are not followed, the City will not review a bid protest submitted by a bidder.

### **9.1 Requests for Copies of Bids Received by City**

In accordance with RCW 39.04.105, within two business days of the bid opening on a public works project that is the subject of competitive bids, the City will provide, if requested by a bidder, copies of the bids the City received for the public works project. The City will not execute a contract for the public works project for two full business days from the date that copies of the received bids are provided. Intermediate Saturdays, Sundays, and legal holidays are not counted as "business days."

### **9.2 Procedure for Submission of a Bid Protest**

All bid protests must be filed in writing with the City Clerk no later than two full business days following bid opening and must:

- Explicitly identify itself as a bid protest.
- Explicitly identify the bid/project/request for which the protest is made.
- Explicitly state all reasons and bases in law and fact supporting the protest; and
- Include all supporting documents.

### **9.3 Consideration of A Bid Protest**

Submitted bid protests complying with the requirements outlined above will be reviewed by the City Manager or designee, the City Attorney, and the Public Works Director, or their designees.

The bid protest will be decided based upon the written materials, supporting documents, and other information submitted with the bid protest as well as other records or information known to the City relating to the public works project in question. If a meeting or conference with the protesting bidder would materially assist the City in making its decision, a meeting may be scheduled at the discretion of the City Manager or designee or their designee.

Only those issues identified by the bidder in the written protest filed with the City Clerk will be considered. The City Attorney or their designee will issue a written decision no later than 10 business days after the filing of the bid protest with the City Clerk, which shall be the final decision of the City on the bid protest.

## **10.0 SALE OR DISPOSAL OF CITY PERSONAL PROPERTY**

### **10.1 Authorization**

The City Manager or designee may authorize the sale or disposal of personal property owned by the City, provided that the property is no longer needed and that notice of intention to sell is given as provided in this section. Personal property will be deemed as surplus or scrap.

Permission must be obtained from the grantor before selling or disposing of any personal property which was purchased with grant funding. Failure to obtain permission could obligate the City to repay grant funding used to purchase the personal property.

### **10.2 Sale versus Disposal**

Sales of surplus items to other governmental agencies may occur via private sale. Other sales of surplus items shall be sold via public auction. It is the City's policy to utilize third-party auction services rather than conduct the auction itself.

Scrap may be sold via public auction, via private sale at prices established by current market conditions or may be disposed of if there is not a viable market. The City Manager or designee may donate items with nominal value to a charitable organization which is tax exempt pursuant to Internal Revenue Code Section 501(c)(3).

### **10.3 Trade-Ins**

Trade-in of old equipment to upgrade similar or reasonably related equipment is permitted when it is in the best interest of the City. The requesting Department Director shall be responsible for the sale, trade, or other disposition of surplus property and scrap belonging to the City of Bainbridge Island when used for a trade-in.

### **10.4 Public Notice of Sale**

If the City opts not to use a third-party auction service and instead chooses to conduct an auction itself, the notice of intent to sell surplus or scrap at a public sale shall be published once a week for two consecutive weeks in the City's official newspaper immediately prior to the sale. The notice should state the time and place at which the

property will be sold. Any other reasonable means to attract potential buyers to the sale may be used in conjunction with the notice posted in the official newspaper.

### **10.5 Conflict of Interest**

Because City employees have more information than the public about City property to be auctioned and an appearance of fairness is necessary to maintain the public trust, employees, their spouses, and their agents are not permitted to bid on or buy personal property auctioned or sold directly by the City.

### **10.6 Inventoried Items**

Surplus, scrap, or trade-in of any inventoried item will be confirmed by the employee responsible and approved by the Department Director. A Property Disposition form will be completed and submitted to the Finance Department.

Each Department will be responsible for storing and retaining an inventory of such property until disposition instructions.

## **11.0 ADDITIONAL SIGNING AUTHORITY**

### **11.1 Grants**

If a grant requires the City to contribute more than \$50,000 in material matching dollars (matching dollars must be budgeted), then the City Manager or designee will seek City Council approval prior to applying. The City Council may also initiate the process of pursuing a grant. If other entities, such as non-profit organizations or community interest groups, wish to apply for a grant on behalf of the City, the group must first obtain the approval of City Council.

The City Manager or designee is authorized to execute all required agreements and documents with a grant-issuing agency to effectuate any grant approved or accepted by the City Council.

Amendments to grants that simply extend the term of the grant may be approved by the City Manager or designee.

### **11.2 Interlocal Agreements**

All interlocal and interagency agreements must be approved by City Council. Amendments to interlocal agreements that simply extend the term of the agreement may be approved by the City Manager or designee. All financial changes to Interlocal Agreements shall go to Council for review and approval regardless of the original amount.

### **11.3 Real Property**

Contracts and agreements that relate to real property (other than as described below) must be approved by the City Council.

The City Manager or designee is authorized to enter into leases of real property where the rent does not exceed \$50,000 total over the term of the lease; Provided, that the City Council's approval is required for all leases of real property that are for a term of more than five (5) years.

The City Manager or designee is authorized to enter licenses, permits, or other agreements to manage the use of the City's right-of-way. Any such license, permit, or other agreement shall contain the provisions set forth in Resolution No. 2013-09.

The City Manager or designee, Director of Public Works and Director of Planning and Community Development are authorized to accept dedications, easements, rights-of-way, fee estates, or other interests in real property for use by or on behalf of the city. Pursuant to this authority, the City Manager or designee, the Director of Public Works, or the Director of Planning and Community Development are each authorized to sign and accept delivery of real property acquisition documents on behalf of the City.

The Director of Planning and Community Development is further authorized to sign and accept documents relating to any notice to title recorded with Kitsap County in connection with the Critical Areas ordinance.

#### **11.4 Settlement Authority**

The City Manager or designee is authorized to sign settlement agreements requiring the City to pay less than \$50,000 to resolve and settle any damage claims or suits against the City and to execute all necessary documents pursuant to the resolution of such claims. The City Manager or designee shall have further authority to approve the issuance of checks pursuant to the resolution of such claims. Claims settled by the City Manager or designee under this authority will be reported to the City Council at the next City Council meeting following the settlement.

## **12.0 COMPLIANCE WITH POLICY**

A violation of any of the provisions of this policy may result in discipline to the individual involved where, in the opinion of the City Manager or designee (in the case of employees) or the City Council (in the case of the City Manager or designee), such discipline is in the interest of the public and good government.

Officers and employees should be aware of possible personal penalties, termination, and financial liability for intentional or willful violation of competitive bidding laws. RCW 39.30.020 states:

In addition to any other remedies or penalties contained in any law, municipal charter, ordinance, resolution, or other enactment, any municipal officer by or through whom or under whose supervision, in whole or in part, any contract is made in willful and intentional violation of any law, municipal charter, ordinance, resolution or other enactment requiring competitive bidding or procurement procedures for consulting architectural, engineering, or other services, upon such contract shall be held liable to civil penalty of not less than three hundred dollars and may be liable, jointly and severally with any other such municipal officer, for all consequential damages to the municipal corporation. If, because of a criminal action, the violation is found to have been intentional, the municipal officer shall immediately forfeit his or her office. For purposes of this section, "municipal officer" means an "officer" or "municipal officer" as those terms are defined in RCW 42.23.020(2).

### 13.0 SUMMARY OF PROCUREMENT GUIDELINES

|  | <u>SIGNING THRESHOLD FOR PROCUREMENT ACTION</u> |                      |              |
|--|---|----------------------|--------------|
| Signing Authority                                  | Contract/Agreement                              | Purchase *           | Payment      |
| City Council                                       | \$50,001 – Unlimited                            | \$50,001 – Unlimited |              |
| City Manager / Deputy City Manager                 | \$0 - \$50,000                                  | \$0 - \$50,000       | Unlimited \$ |
| Dept. Director / Chief of Police / Municipal Judge | \$0 - \$20,000                                  | \$0 - \$20,000       | Unlimited \$ |

\*Non-Office Supplies and Materials

#### Services

| <i>ESTIMATED VALUE</i>  | \$0 - \$5,000  | \$5,001 - \$25,000             | \$25,001 - \$50,000                                    | \$50,001 - \$99,999                                   | \$100,000 and above   |
|---|--|--------------------------------|--|---|---|
| <i>Signing Authority</i>  | <u>City Manager or designee</u><br><i>\$20,000 or below, Director, Chief of Police, Municipal Judge may authorize.</i> |                                |  | <u>City Council</u>                                   |   |
| <u>Purchased Services</u><br><i>(Non-Professional) (Non-Public Works). Steps further outlined in Section 4.0.</i> | No solicitation needed. Direct negotiations with vendor. Award on qualifications and price when possible.              |                                | Solicit three vendor quotes when possible.             |   | Solicit at least 3 vendor quotes which shall be submitted in writing. The award will be made based on qualifications and price.                           |
| <i>Agreement/Contract Mechanism</i>   | No agreement   | Purchased Service Agreement    |  |   |   |
| <u>Professional Services.</u><br><i>Steps further outlined in Section 7.0.</i>                                    | No solicitation needed.  |                                | <i>Minimal Solicitation</i> - Solicit 2-3 consultants. | <i>Informal Solicitation</i> Solicit 3-5 consultants. | <i>Formal Solicitation</i> - The selection of potential consultants must be done via formal advertisement. Narrow down to the most qualified consultants. |
| <i>Agreement/Contract Mechanism</i>   | No agreement   | Professional Service Agreement |  |   |   |
| <u>Professional Services – AES only</u><br><i>Steps further outlined in Section 8.0.</i>                          | Solicit work using Statewide Roster or via formal Advertisement. (See Formal Solicitation Steps in Section 7.0)        |                                |  |   |   |
| <i>Agreement/Contract Mechanism</i>   | Professional Service Agreement   |                                |  |   |   |

FOR ALL FEDERAL CONTRACTS, SERVICES MUST BE FORMALLY ADVERTISED – RFQ  
 FOR ALL AES SERVICES, MUST FOLLOW FORMAL COMPETITION PROCESS

Goods

| <i>ESTIMATED VALUE</i>                              | \$0 - \$5,000  | \$5,001 - \$25,000                         | \$25,001 - \$50,000 | \$50,001 - \$99,999  | \$100,000 and above |
|---|--|--|---------------------|--|---------------------|
| <i>Signing Authority</i>                            | <u>City Manager or designee</u><br><i>\$20,000 or below, Director, Chief of Police, Municipal Judge may authorize.</i> |  |                     | <u>City Council</u>  |                     |
| <i>Public Works related purchases (Section 5.0)</i> | See PUBLIC WORKS CONSTRUCTION & UNIT PRICE CONTRACTS Table on following page   |  |                     |  |                     |
| <i>Agreement/Contract Mechanism</i>                 |  |  |                     |  |                     |
| <i>Non-Public Works related purchases</i>           | No solicitation needed. Direct negotiations with vendor, award on best qualifications and price when possible.         | Solicit three vendor quotes when possible. |                     | Solicit at least three vendor quotes which shall be submitted in writing. The award will be made based on price. |                     |
| <i>Agreement/Contract Mechanism</i>                 | No agreement   | Purchase Order                             |                     |  |                     |

## Public Works Construction & Unit Price Projects

### Section 5.0

All equipment, supplies, and materials purchased separately but as part of the Public Work project, will be part of the aggregate cost of all phases of the project when determining the applicable bid process to be used. Municipalities may not break public works projects into separate phases or parts to avoid compliance with bidding statutes (RCW35.23.352(1)) - "Bid Splitting" is defined in Section 2.2.

| Estimated Cost                               | Signing Authority  | Purchase/Bidding Process  | Contract Mechanism   |  |
|--|--|---|--|--|
| \$0 - \$50,000                               | Dept. Director<br>\$0-\$20k<br>City Manager<br>\$0-\$50k | Utilize the Statewide Small Works Roster and Invite bids from every contractor on the project specific roster.                                    | Small Works Project Contract (Use Pro Forma specific to the estimated cost of the project) | Unit Price Contract (Follow the same estimated amounts and procurement authority requirements) |
| \$50,001-\$150,000                           | City Council   |   |  |  |
| \$150,001 - \$350,000<br><br>*See note below |  |   |  |  |
| \$350,001 and greater                        |  | Formal competitive bidding process with advertisement<br><br>Note: Request authorization from Council prior to advertising, as per Section 5.2.3. | Formal Bid Contract  |  |

\*If the public works project is \$250,000 or greater and is funded in whole or in part with federal funds, a formal advertisement process is required. This threshold is set by the federal government at 2 CFR § 200.88 and 48 CFR § 2.101 ("Simplified acquisition threshold") and is subject to periodic adjustment for inflation pursuant to 41 U.S.C. § 1908.

## **GLOSSARY**

**Procurement** is the strategy used to select the right supplier, vendor, contractor, etc. It is the act of acquiring contracts and agreements.

**Contract/ agreement** is the procurement mechanism used to formalize an agreement between a buyer and seller.

**Purchase:** is the action / transaction between a buyer and seller of a good or service.

**Payment:** is a financial transaction. Can be made in different forms. Check, EFT, Credit Card, Purchase Order, etc.

**Signing Authority:** This term is specific to “WHO” may authorize a certain task.

**Signing Threshold (often referred to as cost threshold or approval limit):** A cost limit used to determine the authority level for authorizing an expense, contract or other transaction type.

**Professional Service:** a service requiring specialized knowledge and skill usually of a mental or intellectual nature and usually requiring a license, certification, or registration. (Architectural, Engineering and Surveying are professional services often referred to AES)

**Public Work:** All work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein.

**Purchased Service:** services provided by a vendor to accomplish routine, continuing, and necessary functions. Purchased services mostly relate to physical activities that are usually repetitive, routine, or mechanical in nature, support the agency’s day-to-day operations (Ex. Janitorial Services)

**Interlocal Agreement:** An interlocal agreement is a written contract between two or more local government entities, such as cities, counties, or school districts, to collaborate on shared projects or services.

**Surety:** involves a promise by one party to assume responsibility for the [debt](#) obligation of a borrower if that borrower defaults. Often in the form of a bond or guaranty.