



CITY OF NEWCASTLE

13020 NEWCASTLE WAY
NEWCASTLE, WA 98059

T: 425.649.4444
F: 425.649.4363

RESOLUTION NO. 2010 - 0466

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, ADOPTING THE 2010 CONTRACTING AND PURCHASING PROCEDURES FOR THE CITY;

WHEREAS: the City Council has determined that the adoption of the 2010 Contract and Purchasing procedures attached as Exhibit A will assist the City in ensuring the legality of the purchasing process; and

WHEREAS: buying competitively will ensure the best quality for the best value;

WHEREAS: following these policies will ensure that the City Council reviews all major contracts before they are approved;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NEWCASTLE, WASHINGTON, hereby resolves as follows:


SECTION 1: The City Council adopts the 2010 Contracting and Purchasing Procedures attached to this resolution as Exhibit A and incorporated herein by this reference.

ADOPTED BY THE CITY COUNCIL at its Regular meeting on March 2, 2010



John D. Dulcich, Mayor

ATTEST



Robert H. Baker, City Clerk

Filed with the City Clerk: 02-26-10
Approved by the City Council: 03-02-10

**City of Newcastle
2010 Contracting and Purchasing Procedures**

Index:

- 1.0 Mission
- 2.0 Controlling Laws
- 3.0 Materials, Supplies and Equipment purchases
- 4.0 Professional Service contracts
- 5.0 Architectural & Engineering Services
- 6.0 Public Works contracts
- 7.0 Definition of the Small Works Roster
- 8.0 Definition of the Bid Process
- 9.0 Exceptions

1.0 Mission of Purchasing and Contracting Procedures

- Implement the requirements of State laws, local ordinances and administrative procedures thereby assuring the legality of the purchasing process.
- Buying competitively and wisely to obtain maximum value for the public dollars spent.
- Procurement will be impartial and provide the City with the best quality for the best value.
- Purchases will be within budget limits and meet goals and objectives approved in the City's Operating and Capital budget.

2.0 Controlling Laws

The City's procurement procedures are based on the Revised Code of Washington guidelines, City Council adopted resolutions and ordinances, the State Auditor's office and the Municipal Research Service Center Bidding Book.

3.0 Materials, Supplies and Equipment Purchases

Items under this category include furniture, computer hardware, office equipment, and operating and maintenance supplies.

Purchase Amount	Purchase Approval	Other Requirements
\$7,500 and under	City Manager	No formal bid required. Informal quotes should be solicited.
Over \$7,500 - \$15,000	Finance Committee authorizes purchase by City Manager	RCW requires competitive bid unless using Vendor list. <i>RCW 39.04.190</i>
Over \$15,000	City Council	RCW requires competitive bid unless using Vendor list. <i>RCW 39.04.190</i>

4.0 Professional Service Contracts

4.1 Contracts not reimbursed by developers, permit applicants or grants

Services under this category may be procured by direct negotiations with a selected firm or individual. Services of this type include accountants, artists, attorneys, computer programmers/consultants, economists, planners, and codification of municipal ordinances. The goal of the selection process is to select the best professional at a reasonable cost and avoiding any conflicts of interest or the appearance of favoritism.

Amount	Contract Approval	Other Requirements
Under \$3,000	City Manager	No formal bidding required
\$3,000-\$25,000	Finance Committee reviews/approves contract for City Manager signature.	Use RFQ/RFP or MRSC roster
Over \$25,000	City Council	Use RFQ/RFP or MRSC roster

4.2 Contracts reimbursed by developers, permit applicants or grants

The City Manager has the authority to evaluate and approve all contracts entered into that will be reimbursed by developers through developer deposits held by the City or by a granting agency.

5.0 Architectural & Engineering Services

In general the following professional services should be procured under the provisions of RCW 39.80. This includes architectural design, engineering study & design, land surveying, landscape architecture and structural design.

RCW 39.80.030 states that each agency shall publish, in advance, that agency's requirement for professional services. The announcement shall state concisely the general scope and nature of the project or work for which the services are required and the address of a representative of the agency who can provide future details.

The City will conduct discussions with one or more firms regarding anticipated concepts and alternative methods of completing the required services. Using criteria established by the City, the qualified contractor will be selected for the project.

The City will then negotiate with the qualified firm at a price the City determines is fair and reasonable. If the City is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm will be terminated and another firm will be selected and the process continues until an agreement is reached.

Contract Amount	Contract Approval	Other Requirements
Less than \$5,000	City Manager	Use RFQ/RFP or MRSC roster to select from. City negotiates price
\$5,000-\$25,000	Finance Committee reviews/approves contract for City Manager signature.	Use RFQ/RFP or MRSC roster to select from. City negotiates price
Over \$25,000	City Council	Use RFQ/RFP or MRSC roster to select from. City negotiates price

6.0 Public Works contracts

Public Works as defined by RCW 39.04.010, includes, but is not limited to, all work, construction, alteration, repair, or improvement, other than ordinary maintenance, executed at the cost of the City.

Contract Amount	Contract Approval	Other Requirements
Less than \$40,000 for single craft or \$65,000 for multiple craft.	City Manger approves contract	No formal bidding required. Informal quotes should be solicited for services. Prevailing wage required
Over \$40,000-\$300,000 for a single craft or over \$65,000-\$300,000 for a multiple craft	Finance Committee approves contract for City Manager signature for contracts up to \$100,000. Contracts above \$100,000 to be approved by City Council.	Can use MRSC Small Works roster Secure 5 quotes from contractors on roster Prevailing wage required
Over \$300,000	City Council awards contract	Call for formal bids (advertise)

7.0 Small Works Roster

The Small Works Roster consists of all responsible contractors who have requested to be on the roster, and where required by law, are properly licensed or registered to perform such work in the state. The City is using the MRSC Small Works Roster. By using this roster, the City is able to evaluate the professional qualifications. Use of this roster is in lieu of the competitive bids projects for public works projects.

8.0 Bid Process

The bid process is generally (although not exclusively) used for public works projects. For a complete description see the MRSC Bidding Book for Washington Cities.

Selection of winning offerer is based primarily on low bid. To ensure consistency and a fair process, the City will use standard forms, documents, contract and terms and conditions, when practical. Minimum qualifications are stated to ensure respondents are reasonably qualified. They cannot be used to eliminate qualified offerors. Minimum qualifications should be tested against marketplace to ensure they are not overly restrictive. Also important to consider is the past performance of the potential contractors bidding the project.

9.0 Exceptions

- A. **Emergencies:** Competitive bidding is not required when an emergency exists. The City Manager is authorized to make emergency purchases upon a finding of the existence of an emergency.
- B. **Sole Source:** Occasions may arise when competition among potential vendors is not possible for a particular procurement. Purchases may be made from the sole source vendor without soliciting other bids or quotes. The times to use a sole source is:
 - 1. When there is clearly and legitimately only one source capable of supplying the subject matter in a timely fashion;
 - 2. When there are special facilities or market conditions that result in only one source;
 - 3. In the event of emergencies; and
 - 4. When there is only one source capable of supplying the products in a timely fashion and that seeking competitive prices would be impractical.

City of Newcastle
Contracting & Purchasing Matrix
 Revised: 2/4/2010 Finance Committee

Type of Purchase	Informal Process	Streamlined Process	Formal Process
Materials, Supplies & Equipment <i>Defined as "not used in a Public Works project".</i>	\$7,500 and under No formal bidding required. Informal quotes should be solicited.	Over \$7,500-\$15,000 (per RCW 39.04.190) RCW requires competitive bid unless use Vendor list	Over \$15,000 (per RCW 39.04.190) RCW requires competitive bid unless use Vendor list
Professional Services <i>Not Reimbursed by developers, permit applicants or grants</i>	City Manager approves purchase No formal process required.	Finance Committee authorizes purchase by City Manager	City Council approves contract
Professional Services <i>City reimbursed for the expense</i>	less than \$3,000 City Manager approves contract	RFQ/RFP/MRSC roster Finance Committee reviews/approves contract for City Manager signature.	RFQ/RFP/MRSC roster Need prior authorization from council
Architects & Engineers RCW 39.80	Under \$25,000 City Manager approves contract	\$5,000 - \$25,000 RFQ/RFP/MRSC roster City negotiates price	Over \$25,000 City Manager approves contract
Public Works Construction Projects - see Resolution No.399 <i>Defined as "all work, construction, alteration, repair or improvement other than ordinary maintenance."</i>	less than \$5,000 City Manager approves contract	Finance Committee reviews/approves contract for City Manager signature.	Over \$25,000 RFQ/RFP/MRSC roster City negotiates price
	\$40,000 or less for a single craft services. Informal quotes should be solicited for services. Prevailing wages required.	Over \$40,000-\$300,000 for a single craft or Over \$65,000-\$300,000 for a multiple craft Can use the MRSC Small Works Roster Secure 5 quotes from contractors on roster. Contract to lowest bidder. Prevailing wages required.	Over \$300,000 Call for formal bids (advertise) Prevailing wages required.
	City Manager approves contract	Finance Committee approves contracts for up to \$100,000. Contracts above \$100,000 to be approved by City Council.	Council awards contracts

**City of Newcastle
Contracting & Purchasing Matrix
Revised: 2/4/2010 Finance Committee**

Type of Purchase	Informal Process	Streamlined Process	Formal Process
Materials, Supplies & Equipment <i>Defined as "not used in a Public Works project".</i>	\$7,500 and under No formal bidding required. Informal quotes should be solicited.	Over \$7,500-\$15,000 (per RCW 39.04.190) RCW requires competitive bid unless use Vendor list	Over \$15,000 (per RCW 39.04.190) RCW requires competitive bid unless use Vendor list
Professional Services <i>Not Reimbursed by developers, permit applicants or grants</i>	City Manager approves purchase No formal process required.	Finance Committee authorizes purchase by City Manager RFQ/RFP/MRSC roster	City Council approves contract RFQ/RFP/MRSC roster Need prior authorization from council
Professional Services <i>City reimbursed for the expense</i>	City Manager approves contract	Finance Committee reviews/approves contract for City Manager signature.	City Council approves contract
Architects & Engineers RCW 39.80	Under \$25,000 City negotiates price	RFQ/RFP/MRSC roster City negotiates price.	City Manager approves contract RFQ/RFP/MRSC roster City negotiates price
Public Works Construction Projects - see Resolution No.399 <i>Defined as "all work, construction, afterlation, repair or improvement other than ordinary maintenance."</i>	City Manager approves contract	Finance Committee reviews/approves contract for City Manager signature. Can use the MRSC Small Works Roster	City Council approves contract Call for formal bids (advertise) Prevailing wages required.
	\$40,000 or less for a single craft, or \$65,000 or less for a multiple craft. No formal bidding required. Informal quotes should be solicited for services. Prevailing wages required.	Over \$40,000-\$300,000 for a single craft or \$65,000-\$300,000 for a multiple craft. Secure 5 quotes from contractors on roster. Contract to lowest bidder. Prevailing wages required. Finance Committee approves contract for City Manager signature for contracts up to \$100,000. Contracts above \$100,000 to be approved by City Council.	Over \$25,000 Over \$25,000 Over \$300,000

Exhibit 2