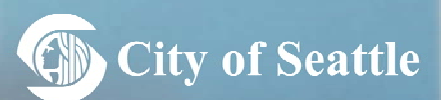


Department of Executive Administration  
City Purchasing

# PURCHASING GUIDE





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## OVERVIEW

1. The City acquires goods and services in a manner that clearly complies with state law, the City Charter, and all applicable ordinances, rules and policies. The City favors competitive bidding to the extent practical, and bidding shall be done in an open competitive manner that is accessible to interested Vendors. The City will contract out for services in a manner compliant with page 12.
2. City Purchasing establishes rules and procedures to enforce City codes and to favor competitive bidding. City Departments may have additional procedures to monitor and control purchase requests and Department compliance. To ensure compliance with purchasing rules, those making purchases must be familiar with purchasing requirements and procedures.
3. Departments shall ensure that those employees who are authorized to purchase for the Department are familiar with the City Ethics Code. This is to avoid potential conflicts of interest in purchasing or contracting transactions.
4. The City is committed to providing women and minority owned business enterprises (WMBE) full access to City contracting opportunities. The City will conduct outreach and recruitment to increase contracting opportunities for WMBE businesses. Departments will develop procedures to encourage consideration of WMBE firms for purchases within the Department's delegated authority. For requests sent to City Purchasing, Departments should identify WMBE firms that could provide the desired goods or services.
5. As required by Seattle Municipal Code (SMC) Section 20.60.200, the City promotes environmental stewardship practices in acquisition of goods and services. Departments shall use product specifications that promote positive environmental practices. SMC 20.60.200 directs United States Environmental Protection Agency (USEPA) specifications are the minimum, unless the City Department indicates the USEPA specification is not suitable for a particular purchase due to cost, suitability, or availability. Departments may also identify additional specifications, including those that reduce hazardous materials or waste, increase recyclable content, reduce emissions and harmful particulates, or promote other sustainability initiatives.
6. The Chief Technology Officer, Department of Information Technology, has established and published technology standards for the City. Departments shall ensure all purchases and requests to City Purchasing for acquisitions comply with these standards.
7. The City has a centralized fleet for all Fleet Acquisitions. Fleet acquisitions are defined as any acquisition above \$7,000 (Direct Voucher Limit) of a vehicle, any equipment with wheels (such as lawn mowers, trailers, reader-boards and tractors, whether motorized or not), and any track equipment (such as bulldozers). The only exceptions are vehicles donated to the City, and those departments with specific Memorandums of Understanding otherwise. If you are requesting a Fleet Acquisition, it must route through various departments before reaching City Purchasing. Any new acquisition must first route to the Department of Finance for approval, then to FFD, before being routed to City Purchasing. Any replacement Fleet Acquisition routes to FFD, and then on to City Purchasing.

8. Piggybacking on other public agency contracts can achieve efficiency, easier access, and greater volume discounts. City Purchasing encourages piggyback opportunities. City Purchasing has authority to sign Interlocal Agreements to allow such shared use. City Departments may search for such opportunities, including but not limited to State of Washington contracts and U.S. Community contracts.
9. The City requires prior approval from the City Debt Manager for any lease transactions. All purchases requiring a lease must be approved by the City Debt Manager (Department of Finance) prior to a Direct Voucher purchase or before a Department sends a request to City Purchasing.
10. To ensure proper disposal of all City property, FFD Warehouse Services manages the City's surplus property program. All purchases that include a surplus or trade-in action require prior approval by FFD.
11. The City shall follow the State's Prevailing Wage requirements. For procurements that include service work, Prevailing Wages may apply. See the list of applicable labor categories (Attachment #1). City Purchasing shall enforce Prevailing Wage requirements on Blanket Contracts or Purchase Orders issued by City Purchasing. For Department purchases including Emergency acquisitions and Direct Vouchers, Departments must establish procedures to ensure compliance.
12. City Purchasing will conduct one-time purchases that are greater than the Direct Voucher Limit, as submitted to City Purchasing through a Requisition. City Purchasing will apply all appropriate procedures to ensure compliance with the Seattle Municipal Code, request Department assistance in providing specifications and evaluation, conduct a competitive acquisition process as appropriate to the acquisition, and notify the Department upon award.
13. City Purchasing will establish Blanket Contracts for use by City Departments. The Blanket Contracts ensure compliance with City competitive bidding requirements, increase efficiency in purchasing, increase accessibility to products or services, and/or combine City volumes for best pricing.
14. If a Blanket Contract is not already in place to meet a City Department need, any City Department may request a Blanket Contract and provide specifications to City Purchasing. A Blanket Contract may also be initiated by City Purchasing or a Commodity Team.
15. City Purchasing may award a single Blanket Contract or may award a pool of Blanket Contracts for departments to select among. To decide whether a pool is appropriate, City Purchasing will consider City volumes, policy objectives such as sustainability or WMBE participation, and specific business needs. If a pool is established, City Purchasing may include instructions in the contract for selecting among the multiple contracts. Otherwise, the Department may select from multiple contracts using any criteria appropriate to the Department.
16. City Purchasing manages the Blanket Contracts. When the contract nears expiration, City Purchasing will make a decision to extend contracts, rebid or terminate. These decisions are based upon the eligibility of the contract for an extension, how much the contract is used, and whether the City continues to have the business need. City Purchasing will make these decisions in a timely manner to ensure uninterrupted access to the goods or services. City Purchasing will make efforts to notify any Department users of these decisions in a timely manner.

17. Departments shall use the Blanket Contract if a Blanket Contract is available that meets the Department needs. Departments must carefully read the Blanket Contract to ensure they understand the parameters for use and instructions for placing orders.
18. Consultant services must be acquired in accordance with SMC Chapter 20.50 and applicable rules.
19. Public Works projects above \$7,000 must be acquired by submitting a request to the Contracting Services Section of the Purchasing and Contracting Services Division (Department of Executive Administration). Public Work projects under \$7,000 will be acquired by the Department following the small purchase procedures herein.
20. City Departments purchase directly without City Purchasing:

Certain goods and services are designated as a Competitive Exception by City Rule DEA 07-02. For those items, follow all City ordinances and policies appropriate to the item. Some items on the list of Competitive Exceptions can only be acquired by certain departments; others will have ordinance or city policies that prescribe acquisition requirements separate from the City Purchasing rules and codes. See the Purchasing Rule (DEA 07-02) for the list of Competitive Exceptions.

Emergency purchases: The affected City Department determines what must be purchased to respond to an emergency, and who will make the purchase during the emergency.

Direct Vouchers: If a good or service is not available on a City Blanket Contract and is less than \$7,000 (each purchase) and less than \$44,000 (Department expenditure for repetitive purchases of the same item during the calendar year), the Department may buy the item as a simple Direct Voucher purchase.

21. A Department submits a request to City Purchasing for all other purchases including:

One-time purchases above the Direct Voucher Limit (\$7,000 or as otherwise amended);

Repetitive purchases where the total estimated annual Department expenditure exceeds \$44,000; and/or

Any other needs where the Department prefers a Blanket Contract.



## Purchasing Definitions

1. **Blanket Contract:** A contract awarded by City Purchasing for goods or services, which the City anticipates will be ongoing or repetitive. Blanket Contracts are typically reserved for repetitive or ongoing purchases which the City anticipates will exceed \$44,000 during the calendar year. Blanket Contracts may be established for items of lesser value as well.
2. **City Purchasing:** This is the Purchasing Services Section of the Purchasing and Contracting Services Division, within the Department of Executive Administration.
3. **Competitive Solicitations:** For large purchases and repetitive purchases that exceed \$44,000, a formal competitive solicitation process is required by City ordinance. These are all conducted centrally by City Purchasing. This phrase refers to an invitation to bid (ITB) and request for proposals (RFP).
4. **Consultant Services:** See SMC 20.50.010 for a complete definition. A consultant is an independent contractor that by experience, training and education, performs specialized activities on a discrete, nonrecurring basis over a limited time and pre-established term. The consultant delivers or provides advice, recommendations, reports, analysis, evaluation, audit, survey or other products of cognitive processes or expert or professional services. Consultants include, but are not limited to, an attorney, architect, accountant, public relations advisor, dentist, physician, surgeon, psychiatrist, psychologist, veterinarian, engineer, surveyor, appraiser, planning consultant, investment counselor, and actuary. There are exceptions including expert witness retained by the Law Department for certain situations, any person retained for legal advice in certain circumstances, and those that provide ordinary or routine purchased services.
5. **Direct Voucher:** A method of payment for small purchases of Goods (see Definition for Goods) and Services (see Definition for Services) that are not available on a Blanket Contract and are less than the Direct Voucher Limit. Direct Voucher purchases do not require a competitive process and the Department may make them directly from a Vendor.
6. **Direct Voucher Limit:** The Direct Voucher Limit for each one-time purchase is \$7,000 excluding tax and freight. Purchases may be made repetitively if each purchase is less than \$7,000 and repetitive Department expenditures during the calendar year for the same item are less than \$44,000. Note that most Departments are unable to track the expenditures by item, so most Departments use the Summit system to track this instead based on total expenditures with the same Vendor.
7. **Emergency Purchase:** A Department may find an emergency situation which requires immediate acquisition of the goods and services. An emergency situation includes situations that are a threat to public safety, health or welfare, or that requires immediate acquisition or repair to preserve or prevent damage to such things as public property, City operations and business, machinery or equipment, any City disaster declared by the Mayor.
8. **Fleet Acquisitions:** Fleet acquisitions are defined as any acquisition above \$7,000 (Direct Voucher Limit) of a vehicle, any equipment with wheels (such as lawn mowers, trailers, reader-boards and tractors, whether motorized or not), and any track equipment (such as bulldozers). The only exceptions are vehicles donated to the City, and those departments with specific Memorandums of Understanding otherwise. If you are requesting a Fleet Acquisition, it must route through various departments before reaching City Purchasing. Any new acquisition must first route to the Department of Finance for approval, then to FFD, before being routed to City Purchasing. Any replacement Fleet Acquisition routes to FFD, and then on to City Purchasing.

9. Goods: Supplies, material, equipment or other items of personal property.
10. Prevailing Wages: When a Vendor performs skilled craft or laborer services, Prevailing Wages may apply. The Washington State Department of Labor and Industries (L&I) requires that employees working under a public contract within certain labor categories receive at least the "Prevailing Wage." Labor categories include labor and skilled crafts such as janitors, window washers, laborers, and electrical technicians. The required Prevailing Wage is calculated and established by L&I. For purchases of services where such labor categories are required, the City shall enforce Prevailing Wage requirements, regardless of the cost. Attachment #1 lists the categories of work that require Prevailing Wages.
11. Public Works: Construction, alteration, repair, or improvement of real property (land or building). Public Works does not include ordinary maintenance services (work performed once a year or more frequently to keep the building or facility in good repair or to avoid more substantial repair in the future). Examples of Public Works include building construction, a new roof, and HVAC installation.
12. Request for Proposal: A competitive solicitation where the winning vendor is the highest ranked Proposer.
13. Requisition: A form generated by a Department in the City's financial management system and sent to City Purchasing for a one-time purchase above the Direct Voucher limit. A Department may develop procedures for internal review of Requisitions prior to submittal to City Purchasing including implementing an Internal Request Form. All Requisitions sent to City Purchasing will be regarded as being approved by the Department.
14. Sealed Bid: A competitive solicitation where the winning bidder is the lowest priced bidder that is found responsible to perform the contract. It is also called an invitation to bid (ITB).
15. Services (includes Routine Services and/or Ordinary Maintenance Services): The furnishing of labor, time or effort by a Vendor that is not a consultant service as defined by SMC 20.50.010 or a Public Works (see Definition for Public Works above). Examples are given below. Please also note that skilled crafts and some general laborer services require Prevailing Wages to be paid for the services performed (per RCW 39.12.020).
  - Repair and maintenance to personal property, such as software and hardware maintenance, water analysis, piano tuning, lawn mower repair, uniform cleaning; and
  - Routine services, ordinary maintenance and minor repair of real property such as lawn mowing, janitorial services, window washing, roof maintenance or repair, fence repair, routine curb cutting, routine sewer repairs, and other such work performed routinely during the year for the City.
16. Sole Source: A good or service which is only available from one supplier or service provider. Sole Source conditions may be identified by the Department, but are approved by City Purchasing. Sole Source conditions include such things as patented or proprietary items available from a single source, a single source required in order to function with existing equipment, systems, programs, or services, situations where the Sole Source is the only practical way to meet the City's requirements, delivery deadlines that only a single source can meet, security requirements that limit information to only a single Vendor.

17. USEPA (United States Environmental Protection Agency): These are product standards published by the Federal government that meet federal environmental standards. City code (SMC 20.60.200) adopted USEPA as a minimum standard for purchases, unless another state or environmental standard is available or the USEPA standard is not suitable due to City needs or cost. City Purchasing automatically applies USEPA standards as a minimum to all Blanket Contract solicitations.
18. Women and Minority Business Enterprise (WMBE): A business that is at least 51 percent women and/or minority owned. To be recognized as a WMBE firm by the City, the company must self-identify their status on the City's Vendor Registration System. If they need assistance in completing this, the Vendor can be referred to (206) 684-0444 (City Purchasing).

## Staff Directory

NAME	PHONE	
<b>General Assistance</b>	206-684-0444	
<b>City Purchasing Director</b>	206-684-8903	
<b>Purchasing Supervisor</b>	206-233-7114	Supervisor of Buyer Team (Operation, Maintenance and Supply Contracts) and Administration Staff
<b>Purchasing Supervisor</b>	206-684-0449	Supervisor of Buyer Team (Technology, Software, Hardware) and Environmental Technology

Projects are assigned to Buyers based upon the type of commodity that the Buyer specializes in. A list of Buyers and assignments is at the City Purchasing Inweb: <http://inweb/purchasing/forms.htm>

## Purchasing Forms

City Purchasing Forms are mentioned throughout this Procurement Guide. All Forms are available on the City Purchasing Inweb site at: <http://inweb.ci.seattle.wa.us/purchasing/default.htm>

Forms available on the City Purchasing Inweb site include:

- Sample Internal Request Form (IRF)
- Risk Management Checklist
- Sole Source Justification
- Blanket Contract Request Form
- Non Compliant Purchase Form
- Vendor Payment Information (W-9 form)
- Vendor Payment Information (W-9 cover letter)
- Small Contract for Maintenance Services Less Than \$7,000

References at the City Purchasing Inweb site for Forms include:

- Commodity Team and Product Assignments
- Signature Authorization Representatives
- Quick Reference Guide



## STEP BY STEP PURCHASING PROCEDURES





# CONTRACTING OUT RESTRICTIONS

## **City policy prohibits certain uses of contractors to perform work, based on Washington State statutes and Court cases.**

City policy prohibits certain uses of contractors and consultants. In summary, the three fundamental standards include:

1. No department should contract for work that has been traditionally performed by City civil service employees unless authorized under a bargaining unit agreement.
2. The nature of independent contractors' assignments and work practices should be managed in such a manner as to be clearly distinguishable from that of regular City employees.
3. No department should enter into a contract that is not in compliance with a collective bargaining agreement.

These policies have been developed over past years with an eye toward compliance with federal, state and local law. The policies apply broadly, to many types of contracts; this guidelines uses the term contractor, which should be understood to also mean consultant or other cases where the City is procuring services. Failure to follow these policies puts the City at risk of litigation and violations of IRS regulations.

Recognizing that the second standard listed above, relating to the independence of a contractor, is subject to interpretation, departments should review the work of their contractors relative to the criteria listed below, and manages contracts in such a manner as to conform to the criteria.

1. The department provides normal contract management over the contractor; however the department does not direct work with the same supervisory control that they do City employees.
2. The department does not directly supervise the contractor (i.e. does not conduct City employee performance evaluations, discipline, or maintain a City employee file for the contractor).
3. The contractor is not listed as an employee on a City organizational chart or directory.
4. The contractor does not supervise or evaluate City employees.
5. There is a written contract that specifies the work, specific project, and duration; the contract should detail how the work is different in terms of scope, expertise or duties than that of City employees.
6. The company (or sole proprietor) usually has an investment in equipment and fixed ongoing costs that are not reimbursed by the City.
7. The company (or sole proprietor) makes services available to the market, can work for other entities, and usually advertises.
8. If the contractor bills by the hour, it is preferable that the contractor also works for other clients.
9. If the contractor has previously worked as a City employee, the contractor must have been separated from the City for at least one year, in addition to meeting the criteria above.

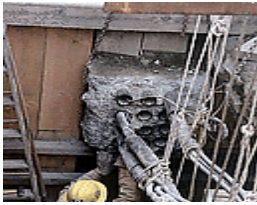


10. The contractor generally works off-site or at an independent business location; if not, the contractor should be using highly specialized expertise or performing very specific project work and the cost for use of City work space and equipment should be recognized in the contract.
11. The length of service of a contractor who works on-site (for reasons cited above) is less than three years.

Departments are expected to ensure that the contracts they execute and manage do not expose the City to risk. Compliance with policy in departmental contracting is vital and DEA will likewise use these guidelines to screen requests for City contracts.

For additional guidance, please refer to the City's Consultant Standard Operating Procedures and the City's Purchasing Guidelines. Jean Boler in the Law Department or Nancy Locke, the City's Purchasing Services Director, are also excellent resources for advice. As to the issue of compliance with bargaining agreements, please consult with your assigned City labor negotiator or David Bracilano, Director of Labor Relations in the Personnel Department.





## STEP 1: WHAT TYPE OF PURCHASE?

### Determine what type of purchase you need to make.

1. **Emergency Purchases:** You may proceed immediately to Emergency procedures.
2. **Contracting for Services:** First confirm that the services are eligible for contracting. See page 12.
3. **Goods and Services:** Do you have a routine product, good, supply or service? If yes, follow directions in this Purchasing Guide. If you plan to do Routine Services, ensure that you are working within labor agreements requirements for contracting labor. Routine Service contracts are not intended to replace the work provided by City staff, but may be used to supplement staffing for peak load and other appropriate situations.
  - Products, goods, supplies, and equipment, such as office equipment, supplies, computers, lumber, vehicles;
  - Routine and ordinary services such as data entry, painting, small building repairs and maintenance, landscaping, janitorial, translation services, and routine jobs performed repetitively during the year.
4. **Consultant Services:** Do you have a consultant service? Consultants include professional experts, and are defined within SMC 20.50.010. The next pages may help you differentiate between a consultant service and a Purchasing Service.

Consider whether the contract replaces or substitutes for use of existing City staff. Departments can not contract for work that is instead an employer-employee relationship, and must consider provisions of City labor agreements. See page 12.

Some consultant work may be for feasibility, design or specification work leading into a future acquisition (such as a technology system project). Ensure that a sole source condition is not created by the original work, and ensure the original consultant is aware if their work would eliminate them from future competition due to uneven access to project information. You may need to consider eliminating the original consultant from the future bid, bidding the entire project in one acquisition, or other measures to ensure fair competition throughout the project.

5. **Competitive Exceptions:** Certain goods and services are Competitive Exceptions designated by City Rule DEA 07-02. Follow any appropriate City ordinances and policies to the particular item. Some Competitive Exceptions are restricted to use or purchase by a limited list of departments; others have specific requirements established by ordinance or city policies other than the purchasing rules and codes. See the Purchasing Rule for a list of Competitive Exceptions.
6. **Direct Exceptions (DX):** DX Exceptions is not a list of exemptions or exceptions from Purchasing Rules or Procedures. Instead, this is a list of codes used by Accounts Payable for invoice processing. Certain purchases are coded by Accounts Payable as DX Exceptions. See Attachment #3. These items are acquired in accordance to all

City Codes and Purchasing Policies as appropriate, however the Accounts Payable Office use a DX Code to process invoice payment.

- 7. Public Works (Construction Projects) above \$7,000:** Is your project a Public Works above \$7,000? If so, those Public Works are done under separate rules and laws. The following pages include a checklist to help differentiate between a Public Works and a Purchasing Service.

## Is this a Consultant Service?

A Consultant Service is defined by SMC 20.50.010, as an independent contractor with specialized training, who provides expert advice or recommendations, and performs a discrete, non-recurring project. If you aren't sure if this is a Consultant Service, use the checklist below. Some departments have a central contact person to assist with Department decisions. For further assistance, call the City Purchasing Director (206) 684-8903 or Contracting Services Manager (206) 684-4525.

1. City Purchasing manages various service bids and contracts. These services are variously called maintenance, routine services, ordinary maintenance, or simply "services."
2. City Departments independently conduct consultant solicitations and execute the resultant contracts. Although each City department will award its own consultant contracts, there are general City-wide rules. These rules are the authority of Contracting Services of DEA.
3. Departments typically make the first-line decision whether a project is most suitable as a Consultant project or as a purchased service. Some departments have a centralized contact person to provide guidance. If the project routes to City Purchasing for a solicitation, City Purchasing will review as to whether it is appropriate as a Purchasing contract. The City Purchasing Manager (206) 684-8903 and Contracting Services Manager (206) 684-4525 are additional resources.

In all cases, Departments are to consider whether contracting for services replaces or substitutes for use of existing City staff. See page 12.

4. Occasionally, it can be difficult to differentiate between Purchasing and Consulting services. In fact, some types of work may reasonably cross-over between the two, leaving Departments to determine which approach is most suited to a particular project.
5. As you are building your overarching strategy for the project, be cautious of competitive bid requirements and strategies that could create an unintended sole source condition. Consultant work will often include feasibility studies, design or specification work for a future major acquisition (such as a technology system project). Your obligation is to ensure competition in your selection of the consultant, as well as preserve a fair competitive playing field for the future scope of work. The Department must protect against some risks such as:
  - Consider if the design-phase consulting could create a future sole source, where only that designer will know enough to finish the project. If so, your project strategy should consider a fully competitive process inclusive of both design and long-term project phases.
  - In addition, if you hire a design-phase consultant, address whether the consultant would end up with an unfair advantage that creates an uneven playing field for other bidders in any final project phases. This may eliminate your original design-phase consultant from the future bid. If you desire to prevent that, you would need to strategize other measures to ensure the ability for fair competition throughout the project, such as bidding the entire project scope.

**The definitions may be helpful in determining which route is most appropriate:**

<b>Consultant</b>	<b>Purchasing Services</b>
<p>A one-time, stand-alone project &amp; Professional expert &amp; Providing you advice.</p> <p>These projects are professional in nature and require specific professional expertise. Consultants often include, but are not limited to, an attorney, architect, accountant, public relations advisor, dentist, physician, surgeon, psychiatrist, psychologist, veterinarian, engineer, surveyor, appraiser, planning consultant, investment counselor, and actuary. See SMC 20.50 for a detailed definition.</p>	<p>Routine, ordinary work &amp;/or Repetitive, ongoing services &amp;/or Responsible for a specific set of technical requirements and specifications.</p> <p>Purchasing Services include a wide range of services. Work is typically ordinary and routine. It is usually repetitive or routinely used from time-to-time in the City. Purchasing Services encompass such work as testing, financial services, training programs, routine analyses, routine graphic design or printing, roadway or building maintenance, repairs and services. A professional can also be providing purchased services. For example, systems design that is conducted as part of building an IT system, or a veterinarian providing on-call services.</p>

**Follow through the questions on the checklist below:**

- Does the main scope of work require a licensed Architect or Engineer?  
If YES, stop the checklist and use a Consultant process. See description of A&E contracting requirements on DEA websites.  
  
If NO, continue down to the next question.
- Is there already a City Blanket Contract for this service?  
<http://summitasp.ci.seattle.wa.us/summit/reports/fraBVCMMain.asp?rptid=250>  
If YES, you may use the Blanket Contract. However, you may also choose to continue on through this checklist if you have special project needs not appropriate to the Blanket Contract.  
  
If NO, continue down to the next question.
- Is the work for a special project, where the full scope of work is to provide advice, recommendations, reports, analysis, design, evaluation, audit, survey or similar expert advice?  
If YES, stop the checklist and use a Consultant process.  
  
If NO, continue down to the next question.
- Does the work lend itself to a routine or repetitive service? Example: MS Word can be repetitively taught to any audience in the same way; Summit Training is custom designed for the City.  
  
If YES, stop and use a Purchasing process  
  
If NO, continue down to the next question.
- Is the work integral to products, hardware, software or an integrated system? For example, design or training integrated into delivery of an AMAG system acquisition; programming to upgrade a system.  
If YES, stop and use a Purchasing process  
  
If NO, continue down to the next question.

6. Does the work require a licensed professional such as an attorney, architect, accountant, public relations advisor, dentist, physician, surgeon, psychiatrist, psychologist, veterinarian, engineer, surveyor, appraiser, planning consultant, investment counselor, and actuary?  
If YES, stop and use a Consultant process

Certain services are exempted from competitive requirements, including expert witness retained by the Law Department for certain situations, any person retained for legal advice in certain circumstances.

**If the checklist does not clearly define which the appropriate process is, it may be helpful to also consider the acquisition procedures:**

<b>Consultant</b>	<b>Purchasing Services</b>
Consultant processes are handled independently by the Department, following City rules published by the Contracting Services Section (DEA).	The RFP and contracts are managed by City Purchasing. Departments will develop the specifications and scope; and will serve as the selection team.
Consultant acquisitions under \$44,000 do not require a formal solicitation; DEA encourages Departments to consider at least 3 candidates, including a WMBE/HUB firm.	For services above \$7,000 and less than \$44,000, City Purchasing conducts informal quotes.
<p>Projects between \$44,000 and \$260,000 are conducted independently by the Department.</p> <ul style="list-style-type: none"> <li>City departments can select approved consultants from the City-wide Consultant Roster, for projects up to \$250,000 in value, without advertising. Use an informal selection process to select among them. <a href="#">See the City's website</a>, or</li> <li>Conduct a formal, advertised RFP following City rules.</li> </ul> <p>Projects above \$260,000 require the Department to prepare and conduct a competitive RFP and execute a formal, signed contract, in compliance with Contracting Services (DEA) rules.</p>	Projects above \$44,000 use a competitive proposal process managed by City Purchasing with advertising, a formal, published RFP, and an evaluation team to score and select among the bidders. City Purchasing extends an offer to the winning company and enters into a contract.

## Is this a Public Works?

Public Works include major construction or significant reconstruction, alteration, repair or improvements of roadways, buildings and major fixed assets. Public Works do not include ordinary maintenance, routine and repetitive service work and routine repairs. If you aren't sure if this is a Public Works, you can use the checklist below, or call the City Purchasing Director (206) 684-8903 or Contracting Services Manager (206) 684-4525.

6. The City conducts certain work as a purchased service. These are variously called maintenance, routine services, ordinary maintenance, or simply "services." These services are managed by the Department of Executive Administration, Purchasing Services Section (City Purchasing).
7. The City also conducts construction projects as "Public Works." These are authorized by Department of Executive Administration, Contracting Services Section.
8. City Departments generate a request for work. Occasionally, Departments are not clear as to whether the work is City Purchasing service work or it is Public Works, requiring the assistance of the Contracting Services Section.

Public Works	Ordinary Services
A Public Works includes one-time, stand-alone projects for new construction, new buildings or installations or replacement of an entire structure.	Ordinary maintenance, repairs and services. These include ordinary work done once a year or more frequently, at various locations or the same location.  Maintenance work including maintenance repairs.  Fixing a component of a structure, not a complete replacement.  Any routine work under \$35,000.
Requires architecture or engineering design.	Does not require architecture or engineering design,
Requires Building permits.	Usually does not require a building permit.

- Is the project for art conservation with an artist copyright?  
If YES, stop and use Purchasing. Artist work is not a Public Work.  
If NO, continue down to the next question.
- Is this for a landscape, roadway, facility or any permanent structure or a permanently installed building add-on?  
If NO, stop and use Purchasing. Temporary, movable, non-permanent fixtures such as transformers or generators are not Public Works.  
If YES, continue down to the next question.
- Is the work routine, performed routinely at various locations or repeatedly at the same location throughout the year?  
If YES, stop and use Purchasing.  
If NO, continue down to the next question.



- Is it ordinary maintenance and ordinary repairs performed at least once a year? Or work you don't perform routinely, but is required to maintain the asset so that major repair does not become necessary?  
     If YES, stop and use Purchasing Services  
     If NO, continue down to the next question.
- Is the project building alarm services or an Energy Conservation Company Project?  
     If YES, stop and use Purchasing. Both are exempted from Public Works by RCW.  
     If NO, continue down to the next question.
- Is the work tree trimming or cutting of trees in forests, in parks and on City streets that is not a result of a public works construction project?  
     If YES, stop and use Purchasing Services. This is exempted from Public Works by RCW.  
     If NO, continue down to the next question.
- Is the labor and installation a by-product of the acquisition, so that the nature of the project is to acquire a product and the installation is a minor auxiliary portion of the entire project cost?  
     If YES, stop and use Purchasing Services.  
     If NO, continue down to the next question.
- Is this project to construct, demolish, significantly improve, renovate, repair, alter or replace?  
     If YES, stop and use Public Works.  
     If NO, continue down to the next question.
- Is this project a one-time, stand-alone project?  
     If NO, stop and use Purchasing Services.  
     If YES, continue down to the next question.
- Is the project of a high-risk nature, high risk enough to merit a Contract Bond and that can benefit from the detailed protections that a Public Work Contract provide?  
     If YES, stop and use Public Works  
     If NO, continue down to the next question.
- Does it require detailed plans and specifications are required from an engineer or architect?  
     If YES, stop and use Public Work.  
     If NO, continue down to the next question.
- Does it require a bid to establish a firm-fixed price prior to project start?  
     If YES, stop and use Public Works.

## Examples

Purchasing	Public Works
Art Conservation	New roadway
Tree Planting, Trimming, Moving	Bulldoze landscape
ESCO (Energy Services)	Building Construction
HVAC repairs, services, maintenance	New fence installation that goes beyond patching and filling gaps.
Routine minor on-call maintenance, repairs and minor alterations	Installation or replacement of a new HVAC system for entire building, that goes beyond patching and filling gaps in system.
On-call Electrical services	Installation or replacement of a new wiring/electrical system for entire building, that goes beyond patching and filling gaps in system.
Fence patching, replacing a hole	Fiber optic if laying entire new system that requires trenching and underground work.
On-call Roofing, ordinary maintenance to prevent larger repairs, new gutters or downspouts to fill gaps or replace parts	New roof installation
Sale of carpet and installation (see State contract for carpet which is not Public Works and approved by SAO).	Rockery installation, bulldozing and cranes to replace a rockery
Material suppliers including production and delivery of sand, gravel, crushed rock, concrete, asphalt and other similar materials*	
Offsite prefabrication*	On-site construction of a new bridge, although the off-site pre-fabrication is not.
Routine Asphalt patching, curb cutting	
Rock crushing	
Spill clean-up	
Lead abatement that doesn't require a major structural renovation, such as painting over lead paint or removing and repainting.	Lead abatement if it means pulling out an entire portion of the building and rebuilding it.
	House moving if it requires excavation, bulldozing, utility relocations

*\*Note: If the City is bidding out a Public Works job, and this is a component of the Public Works Bid, these tasks within that bid are covered by the Public Works contract. If these are used independent of a Public Works Bid, then they are not independently a Public Works project.*



## STEP 2: IS THERE A CITY BLANKET CONTRACT?

Is the good or service available through a Blanket Contract? Use the Inweb search tools:  
<http://inweb/purchasing/Vendorcontracts.htm>

Blanket Contracts are mandatory. You must use an existing Blanket Contract unless it is not suitable for a particular circumstance (see City Rule DEA-07-02). If you decide the Blanket Contract is not suitable, there must be a significant difference between the Blanket Contract and your purchase. Convenience and location are not a basis for finding a Blanket Contract unsuitable, unless there is an essential delivery schedule the Blanket Contractor can not meet.

Read the contract; it provides important instructions for placing an order:

- 1) If there are multiple Blanket Contracts that offer the same product you seek, read the Contracts for instructions about how to select among the contractors. If there are no instructions to the contrary, you may select the contractor that best serves your needs.
- 2) Certain Blanket contracts include services that may also be performed by City employees, such as technology, electrical repairs or light carpentry work. These contracts include specific instructions to ensure consideration of the City employee labor agreements. Departments placing an order are advised to independently review and satisfy the requirements of the collective bargaining agreements that apply to the work they seek to purchase, before placing an order with the contractor. Most Departments have representatives to assist you to ensure compliance with the labor agreements.

Proceed to place your order directly with the Blanket Contractor.

### **Is there a Blanket Contract with another Public Agency? Using Federal, State, King County or other Cooperative contracts.**

If there is no City of Seattle Blanket Contract, the City may also consider using a Blanket Contract held by another public agency. Such contracts may be a good option for you, if one exists that matches your need and there is no existing City Blanket Contract. Use of another public agency contract often eliminates the need for a separate competitive bid process, although you will need to work with the City Purchasing Buyer for assistance with these options. You can search their websites and make suggestions to the Buyer if you see a match to your needs, or the Buyer will do research upon receiving your request for a new purchase.

State of Washington: <http://fortress.wa.gov/ga/inet/pca/pcacont.htm>

US Communities: <http://www.uscommunities.org/>

Certain Federal contracts (GSA) are also available to the City to use. Technology contracts (called "Schedule 70") are available to the City, GSA contracts for homeland security, contracts purchased for drug enforcement (1222 Program), or any GSA contract for an emergency response.





## STEP 3: NO BLANKET CONTRACT? ESTIMATE ANNUAL EXPENDITURES FOR THIS ITEM.

The criteria for how to proceed depends upon cost per invoice and total cost for the calendar year.

How much is each invoice?	Will you or your Department repetitively purchase this item?	How to Proceed:
Will each invoice be less than \$7,000?	And total Department spend is expected to be less than \$44,000 for calendar year?	Small Direct Voucher
Will each invoice be less than \$44,000?	And total Department spend is expected to be less than \$44,000 for calendar year?	Informal Quote
Unlimited	Annual expenditures are estimated to be at least \$44,000 during calendar year.	Competitive Sealed Process

As you estimate your annual expenditures:

- Do not split the work into separate invoices to qualify for a smaller one-time purchase.
- A practical way to estimate repetitive spending by your Department, is to view the Vendor Utilization Report:  
<http://summitasp.ci.seattle.wa.us/summit/reports/fraBCUMain.asp?rptid=230>
- Make your estimate given what you know at the time of purchase. Sometimes, expenses will exceed what you expected. If the Department unexpectedly begins to accumulate expenditures towards the \$44,000 annual limit, submit a Blanket Contract Request to City Purchasing once you are aware you are nearing the limit.

### Small Direct Voucher (Less than \$44,000 a year and \$7,000 per invoice).

Order directly from the Vendor of your choice. Here are other rules for small purchases:

WMBE: Consider women and minority businesses. A list of some Vendors including WMBE businesses is at: <http://inweb/purchasing/vendorsearch/businesslist.asp>

Are there Green Products? Are there environmentally sensitive alternatives? Can you reduce purchases of hazardous products, increasing recyclable content, or reduce emissions?

Technology purchases: Comply with City Technology standards; you can view the standards at <http://wwinweb/citytech/>.

Leases: If the purchase requires a lease, obtain approval from the City Debt Manager (Department of Finance) before you begin the purchase process.

For small Public Works, maintenance or repairs less than \$7,000: The Vendor must sign the City Small Maintenance Contract (<http://inweb/purchasing/forms.htm>) and complete an on-line Prevailing Wage form before work: (<http://www.lni.wa.gov/TradesLicensing/PrevWage/IntentAffidavits/default.asp>).

Trade-in: If the purchase includes a surplus or trade-in, obtain approval from Fleets and Facilities Department (FFD) prior to the purchase.

Fleet Acquisitions: Fleet acquisitions are defined as any acquisition above \$7,000 (Direct Voucher Limit) of a vehicle, any equipment with wheels (such as lawn mowers, trailers, reader-boards and tractors, whether motorized or not), and any track equipment (such as bulldozers). A Direct Voucher purchase under \$7,000 does not require FFD approval.

### **Informal Quotes (above \$7,000 per invoice yet less than \$44,000 a year):**

Start a request within your Department. Some Departments have representatives authorized to conduct informal quotes on behalf of the Department; all others are sent to City Purchasing. We will need to invite at least three vendors to provide pricing, and the lowest price will win the order.

If you are the Department representative authorized to conduct informal quotes, you will want to follow certain safeguards:

- The request and the quote in response may be written, electronic and/or oral. You may use e-mail, fax or phone quotes. A phone solicitation is generally sufficient and reduces administrative lead-time and paperwork. There are times, however, when a written solicitation using e-mail, fax or postal mail should be used. Written solicitations are recommended in situations such as:
  - You have Department policy for a written process
  - E-mail or postal mail helps you connect with the potential bidder.
  - The specification or statement of work is too involved to be adequately communicated by telephone.
  - A large number of different items are included in a single acquisition. You would find it difficult to communicate orally what you want. In addition, the possibility of a misunderstanding would increase if all your communications were oral.
  - Obtaining oral quotations is otherwise not efficient.
- A minimum of three quotations should be sought. If fewer than three sources are solicited, the reason should be explained in writing and included in your purchase file. Invite only those companies that you consider responsible enough to perform the work you require.
- You should always include at least one or more women or minority owned business among the three that you solicit. You can search the Vendor Registration System to identify WMBE firms.
- Specify a deadline for submitting the quote back, usually the end of the normal business day on the stated due date. Do not allow or consider a late quotation.
- You may change the requirements of the product you wish to purchase, provided you notify all companies before the deadline.
- Award to the lowest responsive and responsible quote.

## **Competitive Sealed Process (all purchases above \$44,000 for the year):**

One-time or repetitive purchases above \$44,000 are sent to City Purchasing. Initiate a request in your Department. Your Department will send the request to City Purchasing.

**One-Time Purchases:** A one-time purchase is initiated through an “Internal Request Form.” Each Department has internal department procedures and forms. Ask your Department Accounts Payable staff for the Department forms. Your Department will enter these requests into Summit, the City’s financial management system, and send to City Purchasing.

**Repetitive Purchases:** If you have multiple or repetitive purchases of the same item that you need to make through the year, use the Blanket Contract Request Form: <http://inweb/purchasing/forms.htm>.

**Is your request a Sole Source?** If you have a Sole Source situation, you will also fill out and attach the Sole Source form. The form is at: <http://inweb/purchasing/forms.htm>

**Fleet Acquisitions:** Fleet acquisitions are defined as any acquisition above \$7,000 (Direct Voucher Limit) of a vehicle, any equipment with wheels (such as lawn mowers, trailers, reader-boards and tractors, whether motorized or not), and any track equipment (such as bulldozers). The only exceptions are vehicles donated to the City, and those departments with specific Memorandums of Understanding otherwise. If you are requesting a Fleet Acquisition, it must route through various departments before reaching City Purchasing. Any new acquisition must first route to the Department of Finance for approval, then to FFD, before being routed to City Purchasing. Any replacement Fleet Acquisition routes to FFD, and then on to City Purchasing.

**Lease Purchases:** Leases are long-term debt and obligations to purchase that the City can not terminate. Bid thresholds apply when leasing with an option to buy. All leases must be approved by the City Debt Manager, which is a policy requirement of the Department of Finance. The Department will obtain approval from the City Debt Manager before proceeding with a lease purchase.

**Grant Money:** Follow all the City purchasing rules described herein, as well as Federal and/or State grant rules that are imposed by the source of your grant. Grant funded purchases tend to be audited rigorously.

**Brand Name Items:** You may require that the product be a particular brand or manufacturer. If that is important, specify the reason. If there is more than one dealer or distributor, it will undergo a routine competition. If there is only one dealer, it would be a sole source situation.

### **Auction or used item purchases:**

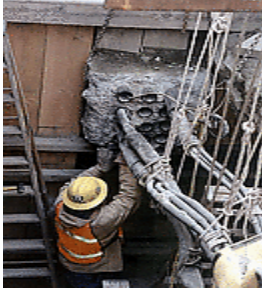
These often require on-the-spot purchases, so there are several approaches that can be used.

Obtain Quotes or Bids: If circumstance allow, follow traditional procedures. For items less than \$7,000, use a Direct Voucher. For items more than \$7,000, send to City Purchasing as a purchase request.

Immediate acquisitions: If the item must be bought immediately or the opportunity will be gone (such as an auction), consider a Sole Source purchase. Send a Sole Source Justification with the invoice to City Purchasing. Call (206) 684-8903 if you have questions.

**City Purchasing Forms can be found at: <http://inweb.ci.seattle.wa.us/purchasing/forms.htm>**





# EMERGENCY PURCHASES

A qualifying emergency is rare. An emergency includes situations that are a threat to public safety, health or welfare, or that requires immediate acquisition or repair to preserve or prevent damage or loss to public property, City operations and business, machinery or equipment. An emergency includes a City disaster declared by the Mayor, or an individual Department may declare a Department emergency according to Department procedures.

## Emergency Purchase Procedures

A Department may find an emergency situation which requires immediate acquisition of the goods and services. For emergency purchases, proceed as follows:

1. Determine that an emergency requires immediate acquisition of goods or services. The Department determines what qualifies as an emergency purchase and who is authorized to purchase. Most Departments have internal procedures for an emergency.
2. Determine that items must be purchased immediately to forestall future losses to the City. Emergency purchase authorization is only for items imperative to the immediate response.
3. Use a City Blanket Contract if possible. FEMA usually requires us to conduct a normal bid process, unless it is impossible to do. If time does not allow a bid, the City must at least collect 3 quotes before FEMA will reimburse. FEMA usually also requires a fixed, firm unit price, and doesn't reimburse hourly rates. However, if competition is not practical and the emergency is imperative, go directly a Vendor of your choice.
4. Put the orders in writing right away or as soon as possible, and attach City Terms & Conditions. FEMA will require this to get reimbursement.
5. By State and Federal Law, Prevailing Wage requirements apply during an emergency. Prevailing Wages are usually required for skilled craft or labor jobs.
  - If you use a Blanket Contract, prevailing wage requirements are already done. Proceed to order services.
  - If not, notify the Contractor that Prevailing Wages may apply before the Contractor starts work. When possible, provide the State L&I wage rates and ask the Contractor to file an Intent to Pay before the Contractor starts. If that is not possible, complete those steps as soon as practical.
6. Departments should establish a Project Number to record and account for all invoice payments and costs, although this is a Department decision.
7. Departments can charge to a Blanket, issue a Direct Voucher if less than \$7,000, or use a City Credit Card if appropriate. If the Vendor requires, you can ask City Purchasing for an E-Number to place the order.
8. After the emergency, report purchases above \$10,000, as required by SMC. As soon as practical after the purchase, send a purchase requisition to City Purchasing for

purchases of more than \$10,000, providing the following information. City Purchasing will send a confirming Purchase Order to the Vendor.

- Title or description of the emergency
- Department Name
- Name of the Authorized Purchaser
- Description of the goods and services purchased
- Cost of the goods or services
- Vendor name
- Copy of the invoice
- Voucher Number if available



# SOLE SOURCE

**Overview:** A sole source is a unique exception to City purchasing regulations. Our public duty is to competitively bid projects and acquisitions. This duty is established by Supreme Court decisions and various regulations and statutes.

- Unless a specific sole source condition exists, the Department and Project Manager shall follow standard competitive bid rules.
- If there is any doubt, the Department should request a competitive bid.
- Specifications must be expansive as possible to ensure the greatest possible pool of bidders to compete. There must be a clear and appropriate reason for specifications that narrow the field to a sole source.
- A late start to the project does not justify a sole source.
- Prior work on a project is not necessarily an appropriate reason for a sole source.

Under SMC 20.60.206, City Purchasing may authorize a Sole Source. The Department making such a request shall establish that there is only a single source or a patented or proprietary item. If you have used expansive specifications and find significant data that indicate a Sole Source, complete a Sole Source Request, and submit through your Department to City Purchasing. A sole source is usually attached with a Blanket Contract Request or a Purchase Requisition. City Purchasing reviews sole source justifications and makes the final determination.

## What product or service qualifies as a Sole Source?

- 1. Compatibility to a City standard or existing environment:** The Vendor is the only manufacturer or supplier compatible with your existing equipment, inventory, systems, data, programs or services, or with a City standard that has been established in writing or by practice. This includes, but is not limited to:
  - Products that are integral repair parts or accessories compatible with existing equipment;
  - Products that, although not integral repair parts or accessories, must be compatible with existing equipment, systems, data or a substantial parts or data inventory;
  - Products that match existing equipment, where the new product must be identical to an existing product to ensure consistent results;
  - Services or goods where the City has set a standard, either in writing or by practice, given business or operational needs. This includes standards established to minimize costs such as parts inventory training and maintenance.
- 2. Licensed or Patented Applications:** The Vendor is the sole provider of a licensed or patented application required by the City and has unique design or performance features providing superior utility not obtainable from similar products. Supplies and services may

also be sole source if there are limited rights in data, patent rights, copyrights, or secret processes, the control of basic raw material, or similar circumstances.

3. **Authorized Service Provider, Repair and Warranty Services:** The City requires service or repair support for products or equipment owned by the City, and the Vendor is either a factory authorized warranty service provider or else that particular Vendor is required for warranty services according to the conditions of a current City Contract.
4. **Unique Design:** The City has a specialized need and the Vendor is the sole provider of goods or services meeting that specialized need or performing the intended function. This includes products with special features essential for the completion of a task or project, or with physical or artistic design characteristics that satisfy aesthetic requirements.
5. **Special Bargain.** This might include a surplus item, an auction sale, used equipment, returned "open box" purchase, or other similar one-time bargains.
6. **Delivery Date:** Only one Vendor can meet the necessary delivery requirements when delivery by a specific date is essential. A delivery delay would cause an extreme increase in cost or detriment to the City. This should be reserved for dates that are the result of an unanticipated situation, and not a circumstance that could have been reasonably anticipated or averted by City planning.
7. **Project or Research Continuity:** Product, systems, services or data must comply with an ongoing project, research, data, testing or analysis without a compromise in the integrity of the project. Also, the situation can not be replicated by another company because there is a legal or physical obstruction to disclosing the project information to allow another company the opportunity to replicate. Examples include situations where a company has legal and proprietary rights to customization such as software code, or to data; or testing or data is collected through a unique measuring instrument that can not be accurately duplicated and offered by another vendor.
  - The product, system or services are used within ongoing experiments or testing and use of an alternative can not be replicated or would cast doubt on research, data, or testing results;
  - Other investigators have used a specific product in similar research or testing, and it is essential to continue the same provider, product, service, data or system for purposes of comparable results.
  - The product is to be used in an instructional setting with the intent provide instruction on the specific product or diversity of products.
8. **Requirement by funding source:** A product or service specifically and clearly required by a lender, grantor (such as the Federal government) or other fund source where the usage of those funds is specifically, explicitly, and clearly restricted by the lender or grantor.
9. **Legal monopoly:** Circumstances may dictate that only one supplier can furnish a service, such as utility services, electricity, water or sewage from natural or regulated monopolies.
10. **Trial and Evaluation projects:** A limited duration, limited scope pilot, trial or evaluation of a product, range of products or services. A trial or evaluation project would typically be part of establishing a standard for a City Department, or to pilot a particular product or services for a City need.

In addition to these circumstances, the Department will also need to ensure that no other company can provide the specified projects or services.



## COMPETITIVE SOLICITATIONS

### Sealed Bids and Proposals above \$44,000

Most purchases in excess of \$44,000 require a competitive solicitation. This is a lengthy and intensive process for both the Department and City Purchasing. There are many City rules, codes, and contract laws that prescribe the competitive process.

The Department starts the process by sending either a Department Requisition (for a one-time purchase) or a Blanket Contract Request (for repetitive Purchases) to City Purchasing.

City Purchasing assigns your request to a Buyer on the City Purchasing staff. See the Staff Directory for a likely assignment of your project. <http://inweb/purchasing/forms.htm>

The Buyer will review your request. The Buyer determines what kind of process is most suitable

**An Invitation to Bid (ITB):** This bid process selects the low bidder, rejecting Vendors that are not responsive to the bid instructions or considered responsible as Vendors for City work.

**A Request for Proposal (RFP):** This process invites you to evaluate and score responses, using criteria that the City creates uniquely for the project. The selection is not by price alone, but considers such factors as Vendor experience, new ideas proposed by the Vendor and quality of their work. A team of raters is appointed to design the criteria and score the Vendors. An RFP process may also allow contract negotiations.



# COMPETITIVE SOLICITATIONS

## Step by Step - Sealed Bids and Proposals above \$44,000

If you serve as Project Manager or are a Team Member for a sealed competitive process, the process will be intensive and will require your participation throughout. Here are the most important steps.

- 1. Preparation of Solicitation:** The person originating the request will usually serve as the Project Manager. The Buyer will help the Project Manager prepare: (1) a scope of work, (2) detailed specifications, (3) minimum qualifications or minimum requirements, (3) a list of potential bidders, (4) ideas for women and minority business participation, and (5) strategies for environmental best practices. Minimum qualifications and minimum requirements must be used very cautiously, and must have substantial basis to ensure that you are not intentionally or unintentionally eliminating vendors from competing.
- 2. Appoint a Team:** Most projects require a team of people to prepare specifications. If it is an RFP, the Team will also evaluate and score responses. The Buyer and the Project Manager appoint City experts to the team that also have time to be away from their offices long enough to participate and do the evaluation.
- 3. If you are doing an RFP, your Team designs an evaluation plan:** Your team will design evaluation criteria. Attachment #2 provides you a Planning Tool.
- 4. Finalize the RFP/ITB:** The Buyer will receive your specifications and prepare the solicitation package. It will be either an RFP or ITB.
- 5. Advertisement:** The Buyer will advertise the solicitation in the Daily Journal of Commerce, will post the solicitation on the City Web site and/or State of Washington public bid posting system ("WEBS"), and may also e-mail copies to any known interested bidder's.
- 6. Pre-Bid Conference:** The Buyer will schedule a pre-bid conference. This invites bidders to come to the City and ask questions. The Project Manager attends, and other members of your team are welcome.
- 7. Deadline and Receipt of Bids:** The Buyer will receive all bids in the City Purchasing office, and secures them until bid opening.
- 8. Bid Opening:** The Buyer conducts the bid opening in the City Purchasing office. The Project Manager is welcome to attend. If it is an RFP, the responses will not be opened in a public meeting; the Buyer will gather the responses and open them individually to begin screening.
- 9. Screening the Responses:** First, the Buyer will screen all bids and will reject those that fail to meet basic requirements. This includes bids that that did not follow instructions (they were late,

didn't provide and/or sign the proper forms, etc). The Buyer will reject those that don't comply with basic responsibility criteria (Equal Benefits, minimum qualifications if any, etc).

## **10. Making the Selection:**

**Low Bid Calculation:** The lowest responsive and responsible bid wins. The Buyer will do the calculation and announce the results. The Project Manager will not comment or review the results, unless a specific question regarding compliance to a technical specification (such as an "alternate" or "equal" product is provided by the bidder).

**RFP Team Evaluation and Recommendation:** For an RFP, the Team will begin review of the proposals and starting scoring. During the evaluation, the Team may discover questions they have of Vendors, which are routed through the Buyer. The Team may also identify items that they might want to negotiate if a Vendor were selected. The Team will evaluate, score and make a recommendation as to which Vendor should win contract award. The Buyer reviews the recommendation to ensure it is consistent with the evaluation criteria and appropriate for award.

**11. Announcement of Intent to Award:** The Buyer announces the intention to award to the winning Bidder.

**12. RFP Negotiations:** Some RFP processes are designed to allow the City to negotiate with the apparent successful Proposer, to improve the proposal for the City. The Buyer will advise the Team if such negotiations are possible, and would typically lead the negotiations. Negotiations are allowed only during an RFP; they are not allowed in an ITB process.

Negotiations are limited in scope. First, negotiations are not an opportunity for the apparent successful Proposer to approach the City with changes to their offer. This is instead an opportunity for the City to respond to the proposal and request modifications that are needed by the City. Negotiations are also limited to the proposal and reconciliation of conflicting terms, and occasionally the City will negotiate to reduce the scope of work so it can fit within the City budget.

If a Vendor sent a request to change a contract clause in their Proposal before the bid deadline, the Buyer can consider their request. However, the Buyer has no obligation to accept the change and the request is not subject to negotiation.

The Buyer will consult with the Law Department on behalf of the Team, as needed. If negotiations fail, they may resume only with the next highest ranked Proposer.

**13. Contract Signature:** The Buyer will then complete the contract with the winning Vendor. Once signed, the Buyer will enter the contract into Summit, the City's financial management system, so all City staff can view the contract and place orders.

## Competitive Solicitations

### Rules and Reminders - Sealed Bids and Proposals above \$44,000

It is important that the Project Manager, and any City staff invited to assist in specification development be considerate of conflicts of interest and other public accountability rules. Consider each of these carefully.

**Public Disclosure:** Remember that the process, the information, decisions, materials and many of the related notes are eventually all subject to public disclosure.

- Your notes may become public information if they provide important documentation of the City process or decisions. Do not make remarks or comments that you are not comfortable sharing with a public audience.
- Keep those notes that help to document the process and decisions, and clearly organize them so they can be understood in the future.
- Important notes and materials that are significant to documenting the decision and process should be given to the Buyer at the end of the process and saved in the event of a public disclosure request.

**Maintain confidentiality:** All documents, decisions, information and opinions are confidential throughout the process. Do not have share information outside the Team. Do not have conversations or contact with Vendors regarding the evaluation until the contract is signed. If Vendors call with questions, refer them to the Buyer.

**Responsibility for public accountability:** The decisions and materials are subject to public accountability. Make sure Team decisions are documented and have sufficient explanation for the public reader to understand. Do not make written or verbal remarks that you would not want shared to any Vendor.

**Fair, prudent and thorough evaluation:** The process must be fair to all bidders, be thoughtful and deliberative. It is an important responsibility that preserves the integrity of the public bid process.

**Please do:**

Refer all questions from Bidders to the Buyer.  
Refer all requests for bid clarification to the Buyer.  
Attend all meetings.

**Please do not:**

Discuss any aspect or any opinion you might have of the bid process, the Vendors, or bids and results until the bid award is complete;  
Accept gifts/meals or any type of gratuity or service from any Vendor;  
Give preferential treatment to any bidder.

**Conflict of Interest:**

In the event a member of the Evaluation Team has a conflict of interest, you must immediately withdraw from the process. If you may have a conflict or perceived conflict of interest, you must consult with the EEC Director for a ruling and act accordingly.





## COMPETITIVE PURCHASE VIOLATIONS

### **Purchasing Violations – Purchases above \$7,000**

If you made a purchase without following City rules, your Department will be unable to process the invoice. The following procedures will not correct the rule violations, but will provide a mechanism by which payment can be made to the Vendor.

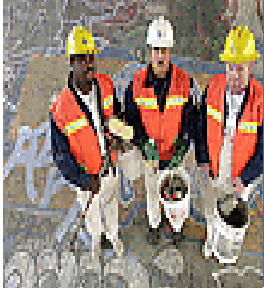
Sign and route the Non Compliant Purchasing Form to your supervisor and submit to the City Purchasing Director. The Form is available at:  
<http://inweb.ci.seattle.wa.us/purchasing/forms.htm>

The City Purchasing Director will review the request and will authorize your AP section authorization to pay the invoice. The City Purchasing Director will determine whether further action is needed.

The City Purchasing Director may require additional training or other actions to avoid recurrence of such violations. The City Purchasing Director may remove purchasing authority of the purchaser, sub-unit or Department, if violations are repeated and corrective actions such as training have not been successful at achieving compliance.

If you instead have a Public Works, contact the Director of the Contracting Services Division at 206-684-4548.





## COMMODITY TEAMS

Commodity Teams are City-wide advisory teams appointed by the City Purchasing Manager. These teams include Department representatives with common interest and expertise in a particular commodity area. The teams periodically meet to consider strategies and opportunities for improving the City position in the marketplace. Teams consider how to combine City volumes by agreeing on particular standards, and improve the City purchases by sharing knowledge of products, environmental opportunities, WMBE opportunities, and other improvements.

The Commodity Teams were established as a result of the City Copernicus Project, which was adopted as the City Purchasing Model in 1999 by City Resolution 29949. This Resolution initiated the City commitment to enterprise-wide purchasing. The enterprise-wide model promotes three objectives and remains active through the work of the Commodity Teams:

- Combines the needs and purchases of all City Departments for similar items, allowing the City to leverage its purchasing volumes for the best discounts or solutions;
- Introduces and considers the ideas, strategies and initiatives from all Departments, when procurements are solicited on behalf of the City;
- Promotes and introduces innovations and strategies to meet City policy objectives, including environmental preferable purchasing and WMBE participation.

It is important that Departments participate on the Teams, to assure that the Department needs are well represented in decisions about product standards and specifications. Those interested in serving on a Team should have their supervisor call the City Purchasing Manager.

**Commodity Team List:** Appointments to the Commodity Teams are made by the City Purchasing Manager. Those interested in serving on a Commodity Team may call (206) 684-8903.

Building Materials	Landscaping
Building Services	Office Equipment
Communication Technology	Office Supplies
Copier Roundtable	Print & Copy, Photography, Graphic
Distributed Computing & Commodities	Roadway
Furniture	Security
Hazardous Materials	Technology: Enterprise Software systems
Green Team	Travel
Information Technology Services	Utility Grade Electrical Equipment & Supplies
Janitorial Supplies	Vehicles and Rolling Stock





## SOCIAL EQUITY REQUIREMENTS



## WOMEN AND MINORITY OWNED BUSINESS ENTERPRISES

### References:

SMC Chapter 20.42 (Equality in Contracting)  
RCW 49.60.400 (prohibiting contracting preferences based on race or gender)  
Mayor's Executive Order 01-02  
City Purchasing WMBE Policy (See Attachments)

**Overview:** The City has a strong commitment to providing opportunities for women- and minority-owned business enterprises (WMBE) to participate in City contracting opportunities. The Mayor's Executive Order, City Ordinance, and Department-specific commitments have made this a priority for City Purchasing procedures.

SMC Chapter 20.42 promotes positive contracting with WMBE businesses. The City seeks to offer the maximum practicable opportunity for increased participation by WMBE businesses, as long as such businesses are underrepresented, and to ensure that City contracting practices do not support discrimination in employment and the provision of services when the City procures public works, goods, and services from the private sector.

The Mayor's Executive Order 01-02 encourages City Departments to increase outreach to WMBE businesses and to use all legal means to see that WMBE businesses do not face unfair barriers. Additionally, prime contractors are required to actively solicit minority employees and bids for subcontracting, and furnish evidence that they have done so with their bids.

### What can Departments do?

Departments can conduct outreach and recruitment of WMBE Vendors including the following:

- Participate in trade shows.
- Introduce WMBE companies to the staff in your City Department.
- Monitor and report on utilization.
- Establish laudatory (voluntary) goals.
- Refer WMBE firms directly to Buyer in City Purchasing that want assistance in learning of City bidding opportunities.
- Consider WMBE firms for the Direct Voucher purchases.
- Encourage WMBE firms to register with the City's official Vendor Registration System, so they can be easily found by Departments seeking to buy their products. Refer interested Vendors to: <http://seattle.gov/purchasing/VendorRegistration.htm> Vendors that need help to City Purchasing at (206) 684-0444.

**Limitations:**

- No preference points are allowed, unless required and allowed by federal statutes, regulations, grants, and by the contract terms. The City can rate and score the prime contractor's outreach and recruitment efforts and their proposed goals, but the City does not give preference points for being a WMBE.
- No mandatory goals are allowed. Voluntary goals are acceptable.
- As required by Purchasing Rule 97-02, you must use a Blanket Contract if one is available.
- A Department must select the lowest responsible bidder when using an informal quote process. You cannot allow a bidder to change their offer in order to win a City contract.

**Resources:** Use these web site resources to help you find WMBE Vendors:

<http://inweb/purchasing/Vendorsearch/businesslist.asp>

<http://inweb/executiveadministration/smallbusiness/default.htm>







# EQUAL BENEFITS

## References:

SMC Chapter 20.45

Rules: “Equal Benefits Program Rules,” June 2000

**Overview:** The City Equal Benefits program is an important element in Vendor eligibility to compete on bidding. The City Equal Benefits Ordinance requires contractors who enter into City contracts worth more than \$44,000, to provide the same employee benefits to domestic partners of Vendor employees as they provide to the spouse of an employee.

City Purchasing will manage the Equal Benefit process for all bids and contracts. Vendors who submit bids or who are negotiating a contract above \$44,000 must complete the Equal Benefits Compliance Declaration. If City Purchasing is creating a pool of contractors, the total estimated value of all contracts shall apply.

**Waiver:** As established in SMC Chapter 20.45, certain contracts are eligible for a waiver from the EB requirements. City Purchasing will first require the Vendor to submit the Equal Benefits Compliance Declaration. If the declaration shows non-compliance to Equal Benefits, the Buyer may submit a waiver request to Contracting Services. Waivers are typically granted for:

- Emergency purchases;
- Sole Source;
- No capable compliant Bidder is available;
- Certain piggyback contracts;
- Contractor is a public agency (such as a purchase directly from the State of Washington).

Compliance with the City's Equal Benefits Ordinance is considered a material element of purchasing bids. If a bidder fails to submit this form with their bid, City Purchasing will reject the bid.

The Buyer will then consider only compliant bidders for contract award. If no Bidder is compliant, City Purchasing may then waive the Equal Benefits requirement and the Buyer may consider all bidders as eligible for further scoring and award.





# PREVAILING WAGES

## References:

RCW 39.04.010, 39.12.010 and 39.12.120 (Prevailing Wages)

WAC 296-127-010 through 296- 127-990 (Prevailing Wages)

Prevailing Wages are required by State Law when you hire certain types of work, typically skilled crafts and laborer work. See Attachment #1 for a list of labor categories.

1. **For Blanket Contracts:** City Purchasing implements Prevailing Wages within all appropriate Blanket Contracts. If you are using a Blanket Contract, your Accounts Payable office will enforce any remaining Prevailing Wage provisions prior to final invoice payment.
2. **For Small Purchases (Direct Vouchers):** If you are conducting a small direct voucher purchase, you must apply the Prevailing Wage requirements when you hire service work within a Prevailing Wage category (generally skilled crafts and general laborers). See Attachment #1. Provide a copy of the Prevailing Wage rates to the Vendor, and require the Vendor to sign the Ordinary Maintenance Agreement Form (see <http://inweb/purchasing/forms.htm>). Verify that the Vendor completed the on-line Prevailing Wage form required by the State of Washington before the Vendor starts work.

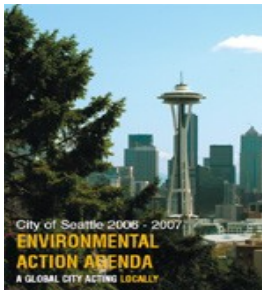
The following projects typically require Prevailing Wages:

1. Public Works;
2. Routine maintenance contracts: road maintenance, painting, electrical, plumbing, or similar types of routine maintenance services;
3. Building service maintenance contracts: janitorial contracts with janitors, waxers, shampooers, and window cleaners;
4. Maintenance contracts that require general laborers or skilled crafts;
5. Offsite prefabrication of major structural features: features that are fixed to the property and are therefore sold with the property, unless they are standard production items per Washington State Department of L&I. See the attached L&I instructions for making that determination.
6. Material Suppliers: The production and delivery of sand, gravel, crushed rock, concrete, asphalt and other similar materials may require the payment of prevailing wage rates when that work is executed under a public works contract.

**How does this affect the project wage rate?** The Vendor guarantees to pay its workers at least the minimum Prevailing Wage rate in effect at the time the bid was opened. Unless it is a janitorial contract, the minimum Prevailing Wage rate does not increase during the life of the contract. Janitorial contracts, however, are an exception.

**What does the State Law say about wage increases for janitorial contracts?** The City must allow for an annual adjustment to accommodate the cost of Prevailing Wage rates increases during the term of the janitorial contract. The Vendor must pay the janitorial Prevailing Wage rate set by the State of Washington. Preceding the anniversary date of the janitorial contract, the Contractor may request a contract amendment from the City to account for annual increases in the janitorial Prevailing Wage rates.

**What is the Department's responsibility to ensure compliance with Prevailing Wage Rates?** For a Direct Voucher, the Vendor must sign the Small Ordinary Maintenance Agreement and complete the one-line Intent to Pay Prevailing Wage form before they start work. At time of invoice, your Accounts Payable office must collect an "Affidavit of Wages Paid" before payment.



# GREEN PURCHASING

## References:

SMC 20.60.200 et. seq.  
Mayor's Executive Order 01-05 (Paper Reduction)  
City Sustainable Purchasing Policy (see Attachments)

The City has a nationally-recognized commitment to environmental sustainability. As you consider products for your City needs, it is important to consider green or environmentally preferable alternatives. The City promotes sustainability and environmental initiatives in purchases and contracting. Departments actively seek new sustainability initiatives.

**Bioaccumulative Toxins (PBT's):** City Resolution #30487 requires that the City reduce acquisition of products containing bioaccumulative toxins. City Purchasing has developed a process in the competitive bid to eliminate PBT's unless specific allowances are considered, evaluated and allowed for within the product specification.

**Recyclable, Reusable Products:** As required by Seattle Municipal Code 20.60.200, all Departments shall use, where practicable, reusable products, recycled content products and recyclable products. City bid specifications must require that Vendors use such products whenever possible. The City shall use a specification that is at least as rigorous as the USEPA standards, unless the Department can justify why a lesser standard is more appropriate. USEPA standards may be found at [www.epa.gov/epaoswer/non-hw/procure/products.htm](http://www.epa.gov/epaoswer/non-hw/procure/products.htm)

SMC 20.60.200 (E) requires that City Purchasing will promote the use of recycled content products to City Vendors, by publicizing that the City emphasizes the use of environmentally preferable products by its Vendors. All City Purchasing bids and contracts announce the City preference for environmentally friendly products. Requests for Proposals may encourage companies to submit ideas of initiatives and substitute products

If a City Department does not wish to use the recycled content products or recyclable products, the Department must provide City Purchasing with satisfactory evidence that for technical reasons, and for a particular end use, a product containing such materials will not meet reasonable performance standards.

**Recycled Paper Content Requirements:** SMC 20.60.200 also requires that whenever practicable, City Vendors use recycled content paper on all documents produced for the City. All bids and contracts include statements that require Vendors to use 100 percent PCF recycled content paper and duplexing for documents generated as part of a City contract, to the extent practical. When purchasing paper and paper products, the City requires 100 percent PCF recycled-content paper where possible, and at least recycle materials for all other paper products. This includes imprinted letterhead, envelope and business cards, file folders, writing and message tablets, photocopy paper, packaging papers, and printing papers.





# PURCHASING ETHICS







# GIFTS AND CONFLICTS OF INTEREST

**References:** Code of Ethics (SMC 4.16.070 and SMC 4.16.075)

The City is committed to providing a very fair, transparent and equitable process to our purchases. We ask all participants in a bid process, as well as all staff involved in purchasing decisions, to be thoughtful of any perceived or actual conflicts of interest.

**Reasonable Person Standard:** City Purchasing seeks to avoid situations that could be or could provide an appearance of a conflict of interest or an opportunity to influence the bidding process. City Purchasing uses the measures of how a reasonable person would perceive the situation. A reasonable person standard might consider how the situation would appear if covered by a news story, or viewed from the perspective of a public interest group. Common questions to ask are: Could you comfortably explain your actions? Would taxpayers believe you were acting in their interest?

**Limitations on gifts:** Refuse gifts, invitations to events, or meals. Vendors are prohibited from offering gifts during the solicitation and the ensuing contract period. If there are unusual situations, contact the Ethics and Election Director for assistance. Gifts that should be refused include:

- Invitations to meals, events or parties not open to the general public or all interested public agencies, which are sponsored by a Vendor doing business or seeking to do business with the City.
- Tickets to sporting events.
- Gifts that could be perceived to influence, find favor or are given with a reasonable expectation of obligating the employee to the giver.
- Gifts that could be perceived as a reward for performance such as awarding a contract.
- Gifts offered for display in a manner that provides advertisement or promotion of the Vendor.

Certain items may be permissible under the City Ethics Code, but are discouraged by City Purchasing. If received, such gifts shall not be displayed in the office place where other Vendors may be visiting or have access to, including the front reception area, conference areas and/or individual office spaces. The following are examples of permissible items:

- Unsolicited advertising or promotional items from a single source in a calendar year valued at \$25 or less, with an aggregate value of less than \$50.
- Unsolicited items valued at \$25 or less and placed in a common area where they are shared by coworkers. The aggregate value of such unsolicited items must not exceed \$50 from a single source in a calendar year.

**Former Employees:** Former employees must follow the limitations of the City Ethics Code. For most acquisitions above the sealed bid limits, City Purchasing will submit a Vendor Questionnaire to Vendors. This Questionnaire requires Vendors to disclose situations where the Vendor has an employee who formerly worked for the City. City Purchasing will refer such potential conflicts to the Seattle Ethics and Elections Director as appropriate. The City Ethics Code places responsibility upon City officers to report to the SEE Director if a contract is awarded to a former employee within one year after the employee left City employment (SMC 4.16.075 C).

**Vendor Use of City Facilities:** Use of City information, property and facilities: Occasionally, Vendors request or are provided access to City e-mail lists, facilities, or other City property, in order to promote their products. It may be appropriate in the following situations:

- The Buyer may tell Vendors who the City employees are who use their product, so the Vendor can contact them to alert them to their City of Seattle contract in non-intrusive ways.
- City Purchasing may sponsor Trade Shows or other similar forums, and provide City facilities, space and arrangements, allowing Vendors to provide information to City employees about products and services, as in the interest of the City.
- Vendors may distribute brochures, tokens, or other materials, to help City employees learn of and be familiar with Vendors.



## WILL A CONSULTANT HAVE A CONFLICT OF INTEREST ON A FUTURE PURCHASING BID?

Do you need a Consultant to pre-plan before you ask City Purchasing to bid out your final project?

Some Departments hire consultants to help plan for projects, before they become a City Purchasing bid or contract. Departments have an obligation to ensure that they do not create a de facto sole source condition, or an uneven playing field, by allowing such Consultants to gain an unfair advantage and then compete for the major acquisition work. This provides some preliminary advice to be aware of such potential conflicts. This will help advise as to when consultants, such as designers or planners, would be eligible to compete upon future bid projects issued by City Purchasing that may emerge from the consultant's work. This could include bid projects that were a direct result of the consultant design or recommendations, or could include bid projects where the consultant's involvement gave the Consultant access to useful information for a subsequent bid project.

**Situation:** In certain instances, consultants may perform preliminary, strategic or planning work on projects that may eventually lead to a City Purchasing acquisition through an RFP/ITB or sole source contract. Likewise, consultants may perform work as a consultant that exposes them to information which would give them an advantage not available to other competitors in a later City Purchasing bid process.

The consultant may ask for advice from the City or may benefit from City guidance as to whether they will be eligible to compete for a bid that may result from the consultant's preliminary work.

**Guideline:** The Department is to prevent any condition that might create a de facto sole source for the consultant on future work, or that might create an unlevel playing field for competition by interested companies for the future work.

Departments should consider whether the entire acquisition is best served by a single competitive bid process that includes design, scope and implementation.

In some situations, the consultant may be able to conduct the preliminary work, and also compete for the major acquisition, without that posing any conflict of interest.

- The consultant performing the initial, preliminary or preparatory work may be able to successfully work on the project without risking a potential conflict of interest, particularly if the work provides them only a generic understanding of the future project.
- That being said, certain situations would likely result in a future conflict, and the preliminary consultant should be informed and should decide whether they chose to go forward with the preliminary work forfeiting their eligibility to compete on the future work, or whether they will decline to perform the preliminary work in order to preserve their eligibility for the major acquisition and/or contract.
  - Such situations include, but are not limited to, situations where the preliminary consultant have (a) access to material information that would not be available to other bidders, or (b) any opportunity to influence the strategy, specifications, scope

of work or solutions for the future acquisition in a manner that favors the preliminary consultant.

To make a decision regarding a potential conflict of interest, the Buyer or City Project Manager should consider:

1. Does the work on this project provide the consultant with any substantive and material advantage (knowledge, information, forewarning) compared to what other future bidders would know on the future RFP/ITB? Exposure to generic information would be fair and reasonable and would not pose a conflict, but the City would avoid situations that provide substantial advantage such as hidden information which could not be readily shared with other prospective bidders in a timely way.
  - a. If no such material advantage would be gained, then the Consultant could continue (barring any other conflict issue);
  - b. If the Buyer or Project Manager foresaw that instead a material advantage could potentially be gained or perceived to be gained, could this be reasonably mitigated by the City publishing the documents and information so that any interested bidder would have timely and informative access to the same materials, such that it could eliminate the advantage offered? Is it further mitigated by a scoring criterion that weighs various elements which are not advantaged by the previous work performed?
    - i. If no, then the consultant should be informed in writing in advance of the initial consultant work and/or as soon as reasonable after such a conflict becomes apparent, and then prohibited from competing on the future work.
    - ii. If yes, the City may consider continuing with the preliminary consultant and then publishing the documents or information for other bidders to also have access to within in a timely way.
2. Would the preliminary work provide a material opportunity for the preliminary consultant to steer the decisions to their advantage, including but not limited to narrowing the specifications, project schedules, qualifications, strategies, or approaches to their advantage for the future bid process or sole source decision?
  - a. If yes, then the consultant should be prohibited from competing upon future work.
  - b. If not, then the consultant could continue.

For additional interpretations or questions, the Buyer or Project Manager may refer to the City Purchasing Director or to Law Department.





## ETHICS IN THE BID PROCESS

**References:** Code of Ethics (SMC 4.16.070 and SMC 4.16.075)

If you are participating in a bid or purchase process, there are particular safeguards to ensure that the process can be as fair, open and transparent as possible, and to prevent any risks or perceptions of conflicts, fraud or misuse.

**Do you have a conflict?** If you have been invited to an RFP or ITB Team, or plan to participate in a purchasing decision, you have a responsibility to advise the Buyer if there is any potential conflict of interest. A conflict of interest may be any financial personal interest or gain, towards any particular company within an industry in which a purchasing decision is made. Immediately alert the Buyer so that the conflict of interest can be considered and referred to the Ethics Director for a determination prior to your appointment on the team. See also the previous section on Gifts and Conflicts, if you are a former employee of a firm or to advise an industry representative who is a former City employee.

**Do you have a Consultant on the Team?** If so, the City should consider and advise the consultant whether such participation may eliminate them from competing on any future related acquisitions. Further, the Consultant is also subject to conflicts of interest, including any business interest with any company that may submit on the work.

**Responsibility for Public Accountability:**

Remember that the Team decisions and materials are subject to public accountability. Make sure the team decisions are documented and have sufficient explanation that the public reader could understand the decision you made. Perform a fair evaluation of each proposal and set aside prejudices. Do not make, written or verbal, any derogatory or slanderous remarks about any Vendor. Make only those remarks or notes that you would be willing to share directly to the Vendor.

**Fair, prudent and thorough evaluation:**

The process is to be fair to all bidders, to be thoughtful and deliberative. It is an important responsibility that preserves the integrity of the public bid process.

**Please do:**

- Refer all questions from those external to the Team to the Buyer.
- Refer all requests for proposal clarification to the Buyer.
- Attend all meetings.

**Please do Not:**

- Do not discuss any aspect or any opinion of this process, the Proposers, proposals, or proposal ranking outside of the Committee forum;
- Do not accept gifts/meals or any type of gratuity or service from any Proposers;
- Do not give preferential treatment to any Proposer.

**Remember Public Disclosure:**

Formal notes and decisions are part of our public decision making process. Your formal notes and score sheets will eventually become public and subject to public disclosure. Informal notes or personal notes should not be recorded and should not be retained. Remember:

- Your formal notes and score sheets will become public information. Do not make remarks or comments that you are not comfortable sharing with a public audience.
- Clearly organize your score sheets and results so they can be understood in the future.
- Submit your materials and score sheets to the Buyer after the process, in the event of a public disclosure request.

**Maintain Confidentiality:**

All documents, decisions, information and opinions need to be maintained as confidential throughout the process. Do not share to anyone outside of Team meetings. Do not have conversations, meals or contact with Vendors or others about the evaluation until the contract is signed.

**Access to Bid Documents:** When you participate on a Team, you will have access to information that is valuable to prospective bidders, such as draft specifications, interview questions, bid responses, scoring and evaluation sheets, bid results, and intent to award decisions. Do not disclose these materials without specific discussion with the Buyer. City drafts and related information are often proprietary while the process is underway, and is not to be shared before intent to award decision has been announced. Release of such documents under certain conditions could be a City Ethics Code violation (SMC 4.16.070 5a).

Protect and secure materials that you have access to and do not disclose them to unauthorized individuals, except under the Buyer's approval, until public release of the document by the Buyer.

**Input on Bid Drafts:** Is it OK to request a Vendor preview a bid document? That can be a reasonable and appropriate step in preparing a bid that is consistent with the industry products and services. The Team or the Buyer may desire industry input on drafts to improve the knowledge of the City regarding the industry and/or product. However, this needs to be done carefully to ensure that the process remains fair and that this does not allow an advantage to a particular bidder. Route such situations directly to the City Purchasing Buyer. The Buyer will manage any such input in a manner fair to any interested bidder and not for purposes of creating an unfair advantage to bidders.

**Limitations on communications:** If you are working on a purchase, or on an Evaluation or Specification Team, communications with Vendors should be directed to the Buyer. Communications between the Vendor and other City employees or officials, unless authorized by the Buyer, can be grounds for rejection of the Vendor's bid.

**Limitations on gifts:** Refuse gifts, invitations to events, or meals. Vendors are prohibited from offering gifts during the solicitation and the ensuing contract period. If there are unusual situations, contact the Ethics and Election Director for assistance. See the previous section that discusses gifts.







## VENDOR SYSTEMS





## VENDOR AND CONTRACTOR REGISTRATION DIRECTORY

### Vendor and Contractor Registration Directory

The City invites Vendors to register on the Vendor and Contractor Registration (VCR) system to express their interest in doing business with the City. Departments can use this directory to locate Vendors for small purchases. This system is also used by the City to verify the women and minority-owned business enterprise status of a Vendor. Businesses may register online at anytime and are encouraged to maintain current contact information. For assistance on registering in VCR, Vendors may call Contracting Services at (206) 684-0444 or by e-mail [ContractingServices@seattle.gov](mailto:ContractingServices@seattle.gov).

To search the Business and Blanket Vendor Contract (VCR) directory for registered business, [click here](#).

To add a new Vendor to the list, call (206) 684-0444 or go on-line <http://seattle.gov/purchasing/VendorRegistration.htm>





## VENDOR RECORD SYSTEMS – SUMMIT

### Vendor Records System - Summit

City Purchasing maintains an official record of Vendors who are eligible to receive payments from the City. If you have questions about a Vendor record, contact City Purchasing at (206) 233-0024 or e-mail [VR@Seattle.gov](mailto:VR@Seattle.gov).

Two steps that establish the eligibility of a Vendor for City payments. First, the Department's Accounts Payable Office creates a Vendor Record in Summit, the City's financial management system. City Purchasing routinely reviews those records, confirms the information, and then authorizes the Vendor to receive City payments.

City Purchasing provides the following services for maintaining the official Vendor Record:

1. Verifies Vendor federal tax information and authorizes the Vendor as eligible to receive payments from City Departments by requesting that Vendors complete a W-9 form. The W-9 form is available on the Purchasing Inweb site.
2. Ensures that Vendor payments are made in accordance with Internal Revenue Services rules and regulations and all other Federal, State, City and County rules, regulations, and policies.
3. Maintains Vendor information which includes Vendor name, address, type of business, and Federal tax numbers.
4. Administers the Vendor Record by analyzing and evaluating current policies and procedures;





## ATTACHMENTS







## ATTACHMENT # 1 - PREVAILING WAGE CATEGORIES

Source – State of Washington, Department of Labor & Industries

[Asbestos Abatement Worker](#)

[Boilermakers](#)

**Brick and Marble Masons**

[Brick Masons](#)

[Marble Setters](#)

[Building Service Employees](#)

[Cabinet Makers \(in shop\)](#)

[Carpenters](#)

[Carpenters - Drywall Applicators](#)

[Carpenters - Millwrights](#)

[Cement Masons](#)

[Drywall Tapers](#)

[Electrical Fixture Maintenance Workers](#)

[Electricians - Inside](#)

[Electricians - Powerline Construction](#)

**Electronic and Telecommunication Technicians**

[Electronic Technicians](#)

[Telecommunication Technicians](#)

[Elevator Constructors](#)

[Fence Erectors](#)

[Flaggers](#)

[Glaziers](#)

[Heat & Frost Insulators and Asbestos Workers](#)

[Heating Equipment Mechanics](#)

[Hod Carriers, Mason Tenders and Mortarmen](#)

[Inland Boatman](#)

[Inspection/Cleaning/Sealing of Water Systems by Remote Control](#)

[Insulation Applicators](#)

[Ironworkers](#)

Janitorial including Janitor, Shampooer, Waxer, Window Cleaner

[Laborers](#)

[Laborers - Clean-up Laborers](#)  
[Laborers - Carpenter Tenders](#)  
[Laborers - Underground Sewer and Water](#)  
[Landscape Construction](#)  
[Lathers](#)  
[Metal Fabrication \(in shop\)](#)  
[Painters](#)  
[Piledrivers](#)  
[Plasterers](#)  
[Playground & Park Equipment Installers](#)  
[Plumbers & Pipefitters](#)  
[Power Equipment Operators](#)  
[Powerline Clearance Tree Trimmers](#)  
[Refrigeration & Air Conditioning Mechanics](#)  
[Roofers](#)  
[Sheet Metal Workers](#)  
[Sign Makers & Sign Installers](#)  
[Soft Floor Layers \(Carpet and Resilient Floor\)](#)  
[Sprinkler Fitters \(Fire Protection\)](#)  
[Telephone Line Construction \(Outside\)](#)  
**Terrazzo Workers & Tile Setters**  
[Terrazzo Workers](#)  
[Tile Setters](#)  
[Tile, Marble & Terrazzo Finishers](#)  
[Traffic Control Stripers](#)  
[Underground Sewer & Water \(Utilities Construction\)](#)  
[Well Drillers & Irrigation Pump Installers](#)



## ATTACHMENT # 2 - SUMMIT ACCOUNT CODES – DIRECT EXCEPTIONS (DX)

The following are identified as DX Exceptions for purposes of accounting codes in the City Financial System. For questions, call City Purchasing at (206) 684-8903, (206) 386-1760 or (206) 233-7114.

1. Advertisements (employment, promotional and advertisements required by law to be placed with printed, audio and visual media). The exception does not include printing, design or graphics services.
2. Appraisal services, deeds and easements, escrow services, title searches, and other services related to the purchase or sale of real property; provided, however, that this exception does not include any consultant services, maintenance services, or Public Works services associated with such purchase or sale of real property.
3. Arbitration services, litigation services, or expert witness services, and related services.
4. Artwork, and the services of artists, including art conservation; provided that the services of graphic artists are not included in this competitive exception.
5. All services related to the City's issuance of municipal bonds. Bond and Bank Loan Services and payments, including Rating Services, Registration Fees and other expenses related to the issuance of municipal bonds.
6. Combined Charities services.
7. Compensation Fees of Commission and Board members (and honoriums for technical advisors to ad hoc committees.
8. Death benefits.
9. Emergency medical training services procured by the Seattle Fire Department.
10. Expenses Paid to Employees including Overtime Meals, Damaged Uniform Allowance, and Mileage Reimbursements not associated with Travel and Training (see 27)
11. Expenses paid to other government jurisdictions.
12. Freight, all types of delivery services, legal messengers, international custom fees, and postage.
13. Grants and Loans, neighborhood, low income, weatherization, energy community grants, and others, including goods and services provided to clients in such programs.
14. Insurance.
15. Judgment claims against the City (for use by Law Department only)

16. Medical and dental services, laboratory fees, and prescriptions.
17. Payroll (City and retirement payrolls only).
18. Police and Arson Investigations.
19. Professional memberships, licenses, accreditation and certifications.
20. Publications, including newspapers, magazines, including electronic publications, CD ROMS, online information services.
21. Services provided by referees, instructors and performing artists.
22. Services related to the City's relocation of citizens.
23. Revenue Refunds (return of street use deposits and refunding of overpayments made to the City, parking reimbursements and other such refunds or repayment).
24. Testing and Travel expenses of employment applicants (including moving expenses for eligible personnel, and travel expenses of certain out-of-state job applicants).
25. Traffic Control (flagging by off-duty police officers).
26. Reserved.
27. Training and Training Related expenses. Includes travel and convention expenses, fees of City employees and board or commission members conducting City business, and tuition fees and training seminar fees for City employees.
28. Utility services, including but not limited to the acquisition of water, electricity, solid waste services, natural gas, cable TV, internet services, telephone and other telecommunications services.
29. Veterinarian support services and related laboratory fees; provided, however, that the services of professional veterinarians are considered consultant services, subject to the competitive selection requirements of SMC Chapter 20.50.
30. Special Amounts pre-approved by City Purchasing.
31. Special Amounts post-reviewed by City Purchasing for payment authorization.



## ATTACHMENT #3 –PROJECT PLANNERS

**There are two Project Planners that outline the steps for your project, depending on whether you are conducting a Request for Proposal (RFP) or an Invitation to Bid (ITB).**

- RFP Project Planner (11 pages)
- Invitation to Bid Project Planner (6 pages)



# RFP PROJECT PLANNER

## **RFP Project Planning**

**This assists you through a competitive solicitation process, with step-by-step descriptions and a checklist to plan your process – for purchases above \$44,000 a year.**

**If you have a Technology RFP, refer instead to the Technology RFP Project Planner.**

<b>Checklist of Events</b>	<b>Checklist</b>	<b>Schedule Standards</b>
Send Blanket Contract Request or Requisition Form to City Purchasing	Done <input type="checkbox"/>	Day 1
Meet the Buyer	Done <input type="checkbox"/>	Week 1
▪ Name the Team , Rough out schedule	Done <input type="checkbox"/>	
Begin Team Meetings with Buyer:		Week 2
▪ Complete your Background Statement	Done <input type="checkbox"/>	
▪ Complete your Objectives	Done <input type="checkbox"/>	
▪ Complete Scope of Work/Specifications	Done <input type="checkbox"/>	
▪ Do you need a Contract Bond?	Done <input type="checkbox"/>	
▪ How do you want Price Increases to work?	Done <input type="checkbox"/>	
▪ Provide a list of vendor names & addresses s to Buyer	Done <input type="checkbox"/>	
▪ Edit the Sample RFP Questions	Done <input type="checkbox"/>	
▪ Discuss Evaluation process	Done <input type="checkbox"/>	
▪ Confirm Scoring strategy	Done <input type="checkbox"/>	
▪ Do you need interviews?	Done <input type="checkbox"/>	
Buyer finalizes RFP Package	Done <input type="checkbox"/>	Week 3
Buyer schedules Evaluation and Interview Team, books conference rooms	Done <input type="checkbox"/>	
Buyer Publishes the RFP (on the website, in the newspaper)	Done <input type="checkbox"/>	Release Date
Pre-Proposal Conference	Done <input type="checkbox"/>	Release + 1 week
Deadline for Vendor Questions to Buyer	Done <input type="checkbox"/>	Release + 2 weeks
Deadline for Buyer to Reply to Questions	Done <input type="checkbox"/>	Release +2 weeks
Proposals Due to the Buyer	Done <input type="checkbox"/>	Release + 3 weeks
Buyer Reviews Responses	Done <input type="checkbox"/>	RFP Due + 1 day
Evaluation	Done <input type="checkbox"/>	RFP Due + Days 2,3,4
Select Most Competitive Proposers	Done <input type="checkbox"/>	RFP Due + Day 4
RFP Interviews if any	Done <input type="checkbox"/>	RFP Due + Day 5, 6
Team finalizes award decision	Done <input type="checkbox"/>	RFP Due + Day 7
Buyer Announces to Vendors	Done <input type="checkbox"/>	Award Day
Buyer Obtains Final Documents from Vendor	Done <input type="checkbox"/>	Award + 1
Sign Contract (if applicable)	Done <input type="checkbox"/>	Award + 10

# The First Steps

Do you want an ongoing Blanket Contract or a one-time Purchase Order?

- For repetitive and ongoing purchases, fill out a Blanket Contract Request (<http://inweb/purchasing/forms.htm> or call 206-684-0444).
- If a one-time order, fill out an “Internal Request Form” from your Accounts Payable Office. Route through your AP Office to City Purchasing to initiate your request.
- You’ll attach a Project Description (described on the following page) to help City Purchasing understand your purchase need.
- City Purchasing will assign a Buyer (to check on status, e-mail [Pam.Tokunaga@seattle.gov](mailto:Pam.Tokunaga@seattle.gov)
- The City Purchasing Buyer will touch base with you.
- An RFP will often take 120 days. A faster project is possible if you are ready to go, have your scope of work well-prepared, and the Buyer is available.

## Meet the Buyer

**Start-Up:** Meet the Buyer. You and the Buyer will walk through an agenda that includes the following three steps.

**Item 1: Is it an RFP or ITB?** The Buyer will advise you about whether we’ll use an Invitation to Bid (selection is based on lowest price) or an Request for Proposal (selection uses a team to evaluate and score various factors, such as pricing, experience, technical strengths).

**Item 2: Name the Team:** Do we need a team for this project? The Team helps draft specifications and may evaluate, score and interview if needed. The Buyer and Project Manager select and invite team members. Select those who are willing to commit time, will be readily available during the project, and have expertise. Check for obvious conflict of interest (the Buyer will meet with team members to review this more carefully). Three to seven is an effective team size.

**Item 3: Rough out a Schedule:** Make a rough schedule of major steps in the process.



# Drafting the RFP Package

**You (and your team) will now draft up information for the Buyer to get the process underway. Write these down and meet with your Buyer:**

**Background Statement:** Write a brief (perhaps two paragraph) background statement. Explain why the City wants this, what started this (an ordinance, Mayor's initiative, etc), the history and purpose. Let us know if other City Departments might buy the same product/service. If you are buying products repetitively, estimate how frequently.

**What are the objectives?** What are the things we would want this contract to accomplish? We hope you'll have at least 5 of them. Examples:

- Select a vendor with long-term expertise in providing these services, so the City is guaranteed dependable, responsive, proven and expert services;
- Obtain the lowest cost (or maybe, instead, obtain the best quality);
- Secure a 24/7 emergency response capability;
- Select a local Vendor in the Seattle limits to allow immediate access by City crews;
- Schedule and assure dependable and routine deliveries to locations throughout the City.

## **Scope of Work and/or Product Specifications.**

- What exactly do you want to buy? Describe it. Provide a detailed written description.
- How detailed does your description need to be? If this is an Invitation to Bid (ITB), based entirely on price, be very specific. You won't have the chance to select among bidders. If this is a Request for Proposals (RFP), where you will evaluate and scored various answers, you can provide more general parameters and allow companies to instead describe their solution.
- Is this is a large and complex project; do you need a Contract Bond? A bond is unusual and reserved for only complex, expensive custom-built projects. Technology projects often require Bonds. If we require a Bond, the winning bidder must supply the Bond in the amount we specify (usually the size of the contract) before the Purchasing Director signs the contract. In order to guarantee that the company has the financial capacity for the bond, we require a "Letter of Commitment" be sent in with the RFP. This guarantees bidders can comply with the bond requirement; some bidders can not.
- If you are buying a product, we want to know:
  1. Is there a specific brand name/manufacturer you require? If yes, can the Vendor substitute?
  2. If you are buying a product distributed by resellers, does the manufacturer mandate that resellers are certified or authorized by the manufacturer?
  3. If you are buying products on a long-term contract, does the Vendor have to maintain inventory so you are assured rapid delivery?
  4. Is Vendor location important? If so, provide the business case so that we don't unnecessarily exclude eligible bidders.
  5. Do you want delivery to your location?
  6. Do you require the Vendor to have an order desk? If so, does it need to operate during business hours only or 24/7?
  7. Are there environmental standards, recycled products that can substitute?
  8. If you are buying a service, describe these:
    - What hours can they be on your job-site (8 to 5?)
    - What are the locations where service is desired

- Are there any licenses or certifications required of the individuals performing the work?
  - Do prevailing wages apply? The Buyer can answer this question for you.
  - Does the work require a permit, and if so, who pays the permit –Vendor or City?
9. If you are buying a product, do you also want these:
- Repair and/or Warranty coverage
  - Training
  - Who is authorized to place the order?

**Deadline, schedules:** Specify your deadlines for delivery, response-time after orders are placed, or when services need to start. Be very clear to the Buyer whether that is a firm deadline is simply preferred. Will you throw out bids if they can't meet your deadline? Consider the lead-time for transitioning to a new provider and cancelling the old contractor, and lead-times for fabrication.

**Minimum Qualifications:** Is there a mandatory qualification they must have? This should be rare. Bidders must prove they comply, or we reject before scoring. Don't use these unless you have a specific explanation as to why this qualification is important to the City.

Be very clear the difference between what you require of the Company and instead, what you require of their Project Manager that is employed by the company.

- Examples of Minimum Qualifications that might be appropriate in special situations:
  - The Company (or, if you want the Project Manager experience instead, be very clear that you intend this to mean the Project Manager and not the company) must have been in the business 2 consecutive years, without interruption.
  - The Company must have a licensed electrician at time of bid.
- Examples of inappropriate Minimum Qualifications:
  - Company must be responsible, experienced and capable.
  - Company must have good references.

**Price Increases.** The Buyer can review options for pricing. City Purchasing usually allows price increases after two years, and/or may tie the price increases to a specialized price index. What do you want to use?

**Vendor List:** Provide a list of all the interested Vendors you know of. Search for women or minority owned firms. The Buyer will also help you search.

# Preparing the RFP Vendor Questions

Now start preparing questions you wish to ask of Vendors, so we understand their ability to do the project.

First, the Buyer will require certain mandatory items from the Vendor:

Standard Items Buyer will automatically require	Notes
Minimum Qualifications	Any Bidder Qualification that is important must be listed as a specific “Minimum Qualification” in the ITB/RFP. Don’t hide these into the specifications. This includes requirements for a license, experience, etc.  The RFP/ITB will require the Bidder send in a one-pager to specifically explain how they meet each minimum qualification. The Buyer will audit and reject proposals that don’t achieve Minimum Qualifications. This is not the same as “Mandatory Requirements” which are technical items that the Team should search and evaluate.
Equal Benefits	This is a Mandatory Form the Vendor must return to the City with their proposal.
Vendor Questionnaire	This is a Mandatory Form the Vendor must return to the City with their ITB/RFP. It shows the Bidder financial/legal responsibility.

**Next, you and Buyer will design project specific the questions to ask Vendors:** We want to ask Vendors specific questions to understand their readiness, proposal and pricing for the project. If you need a sample, ask your Buyer.

# RFP Design - Evaluation and Scoring

**For an RFP, work with the Buyer to design an evaluation process. A summary is published in the RFP. Build a process that reflects exactly what you intend to do. City Purchasing has an adopted standard for scoring and evaluation. Review and confirm with your team.**

## **The Basic Guidelines:**

1. **Keep scoring simple and easy to understand.** You may have a complex project, but don't design a complex scoring system. Complexity adds risk for errors, reduces transparency of decisions, and increases protests. Don't use complex formulas, weighting, special rankings, and detailed criteria. Avoid highly detailed and/or mathematical scoring formulas. You must explain every calculation to the Buyer, and possibly the Buyer Supervisor, the Purchasing Director, Vendors, and even the court if litigation ensues.
2. **Use simple scores. No weighting.** Total possible scores will automatically reflect the value of each criterion. You won't need a weighting or ranking process to do that. If total possible points are 100, give more points to the most important items. We therefore eliminate additional weighting and ranking calculations.
3. **Document.** The Buyer must keep a clear explanation as to exactly how you scored and why. Vendors are likely to request your scores and notes if they chose to request a debrief, protest or a public disclosure. Make sure you document the scores and decisions.
4. **Schedule and Deadlines:** City Purchasing standards require the Evaluation Team to start work 2 business days after the RFP arrives and to meet full and consecutive days thereafter until the top-ranked candidate is selected. The Buyer schedules 3-days for scoring, and 2 consecutive days thereafter for interviews & demos (if any). References are conducted (if you have chosen to use references) and an award decision made before the Team adjourns. If you are concerned about schedule, use the "Competitive Threshold Screen" to quickly weed out less competitive responses.

## **Now start designing.....**

1. **Buyer Screen for Responsiveness and Responsibility.** The Buyer will automatically first screen all the bids to make sure they are responsive, have Equal Benefits, Vendor Questionnaire, and meet the Minimum Qualifications. The Buyer rejects those that don't, and will send the rest to the team. This will automatically be the first step in the Evaluation.
2. **Do you need to start with a Competitive Threshold Screen?** The standard policy provides 3 days to evaluate responses. If you expect many responses, or each response is very complex, start with a Competitive Threshold to screen out bidders that are not reasonably competitive.

To do this screen, your team lists out the most important elements that a Vendor must achieve in order to be reasonably competitive. Your team then compares Vendors to those items, and screens out those that aren't at least reasonably competitive. Only those that are reasonably competitive pass forward for full evaluation.

If you might want a Competitive Threshold Screen, the Buyer should include it as an option for the City to use within the RFP. The Buyer would identify it as an option that the City will exercise if the City decides it is appropriate, after the RFP responses arrive.

### 3. Next, design Scoring. Figure out how you plan to score.

- ❑ **Confirm the standard scores.** Each section in the Vendor Response is assigned possible points. Standard scoring is provided below. Review and confirm that this reflects the priority for your project.

	Total possible points
Pricing	250
Management Response (experience proposal plan, staffing, etc)	250
Technical Response	500
Grand Total	1,000

- We usually do not score references. References are done later as a pass/fail; after you pick your highest-ranked company.
  - Pricing is always scored. You can decide how much it is worth, but it must have at least some points. We recommend at least 250-300 out of a possible 1000. Pricing scores should be determined using a mathematical calculation by the Buyer. Lowest price gets maximum score.
  - Scores are done on comparative basis; the best response – when compared to all the others - gets the highest points.
- ❑ **Confirm how you will score.** Each person individually? Or the team agrees on a score? Pick one or the other.
    - **STANDARD & RECOMMENDED- Team consensus.** The team arrives at a consensus. Team members review responses and discuss until the team gets to consensus. This approach:
      - Reduces the exposure of any individual member since no individual scores are taken, particularly if a public disclosure request arrives;
      - Reduces potential for errors in tabulations;
      - Simplifies the scoring process;
      - Allows experts at various items to have a decisive input.
    - **OPTION - Individual points and scores.** Team members score individually. Discussed among team members if needed. Adjusted if they learn anything new from talking to team members. Buyer then tabulates the points, and a top candidate is based on those results. This approach ensures:
      - Each member has an equal voice;
      - No team member provides influential discussion or information.

### 4. Do you require interviews or demonstrations? Your proposals will pass through the Buyer check for Responsiveness, and passed through a Competitive Threshold Screen (if any), and are scored. Do you need interviews to select the top candidate? Or can you make a decision with the results of your paper scoring?

If you aren't sure whether you want to interview, the RFP can leave it as an option for the City. But if you promise interviews, you must perform the interviews of every candidate that qualifies for an interview. Be sure your team has the time available and will be prepared to interview within one to two weeks following the RFP submittal deadline.

Do you plan to add up the Written Proposal Score + the Interview, then the total wins? Or will the interview stand-alone? This is significant to the outcome, so think carefully about the decision.

**Rescoring:** Sometimes we learn new information in an interview or demonstration. We would generally not rescore the written result, unless that was specifically discussed before the evaluation team began.

5. **References?** We usually do not need references, and we do not score references. If you think references are important, you would use a pass/fail after you pick your highest-ranked company.

## Buyer Books the Rooms

**Make a Date:** If you are doing a Request for Proposal (RFP), one of your first steps is to block out time on your Team's schedule to evaluate responses and interview time slots. Do this early because everyone's calendar is busy. Lots of advance time is needed to get team members in the room together. Block out two to three days about a week after RFP responses are due. Block out consecutive days; evaluations are most effective if the team meets non-stop until a decision is complete.

**Book the room:** For security, confidentiality and protection of the RFP responses, City Purchasing requires reading and scoring at City Purchasing offices. Your team needs to come into City Purchasing offices during the evaluation, and meet together as a team for the review. Documents must not be removed from City Purchasing offices unless approved by the City Purchasing Director. Evaluation room options are:

- \_\_\_ Contracting Bid Room (have Buyer book or call 684-0444 to reserve)
- \_\_\_ SMT\_FFD\_4105 (use Groupwise to schedule)
- \_\_\_ SMT 40<sup>th</sup> Floor Conference Rooms (for help in scheduling, you may call the Buyer or City Purchasing at 684-0444)

## Buyer Publishes RFP

**The Buyer will finalize the ITB/RFP and prepare to publish it.**

- Buyer will advertise it in the Daily Journal of Commerce newspaper, on the City website, and often on the State bid system (known as WEBS). The Buyer will e-mail a link (or the actual document) to the City website to Vendors that we think might be interested. Buyer should be consistent on how we inform them.
- Buyer conducts a pre-bid conference; Project Manager should attend, along with interested Team members.
- The Buyer will help lead the Q&A session, although the Project Manager will be important to helping answer the questions.
- Buyer issues addendums (if needed) to respond to questions and announce changes to the RFP. Send another e-mail with a link to the Addendum.

## The Responses Arrive

**The Buyer does an initial review.** The Buyer verifies responsiveness (that the bid or proposal arrived on time, that it was properly signed, that the mandatory forms such as Equal Benefits were returned, Vendor Questionnaire submitted, etc) and responsibility (that they had a proper financial profile to do business with the City). The Buyer will confirm that they meet mandatory requirements and Minimum Qualifications if any.

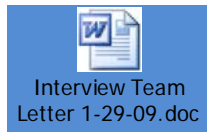
**For a Request for Proposal, evaluation and scoring will begin.** The Buyer will calculate Pricing, and assemble the Team. The Buyer will hand out copies of the eligible responses and begin reviews.

### **Meet, score, total and award.**

- By City Purchasing policy, evaluation responses begin promptly after responses arrive and continue on consecutive days until done.
- To open the meeting, the Buyer reads through an “Evaluation Letter” with the Team.
- Score every item as you promised when you planned your scoring. Don’t skip scores; provide a score for each item.
- When Evaluation is done, the Buyer collects the scores (either team scores or individual scores), adds them up and documents the decision.
- If you intend to select multiple companies, the Team reviews the scored results to determine how many companies are in a competitive range to receive awards. The Team must go in consecutive order, beginning with the highest scoring company and remaining companies selected in consecutive order until the Evaluation Team determines there are sufficient Vendors to meet the City needs.
- Dispose of any personal notes that are not important to the decision.
- The Buyer must collect the Forms or checklists that document decisions.
- The Buyer must ensure that the scores are carefully documented and easy to understand, and will place all the scores and forms into the contract file.

### **Interviews/Demonstrations**

- Interviews immediately follow scoring. The Buyer won’t allow time gaps between scoring and interviews.
- If the RFP promised an interview, they must be conducted. No matter how obvious the selection results, the interviews would have to be performed. Interview all your top candidates – you can’t interview one because you might have questions or concerns of them, but not your other short list candidates. The key is to treat them exactly the same.
- The Buyer will distribute an interview “Do’s and Don’ts” Letter with the interview team.



### **Negotiations and Award:**

Negotiations can only be used for the RFP process; they are prohibited on ITBs. They are limited to only a few situations and must be very limited in scope. First, Proposer’s can’t ask for changes to their offer. Negotiations are strictly for the City to request changes to the proposal. Negotiations are limited to the proposal itself and reconciliation of conflicting terms.

- The City will not negotiate terms and conditions.
- The Buyer will advise and lead the Team if negotiations are appropriate.

The Buyer will consult with the Law Department on behalf of the Team, if needed. If negotiations fail, they may resume only with the next highest ranked Proposer.

### **Confidentiality and Conflict of Interest**

All documents, decisions, information and opinions are to be managed in a way that is equitable and fair for all potential Vendors. Do not share unique information that could provide one Vendor an unfair advantage over all others. Once the bids are received, all information is confidential and not to be shared to anyone outside of Team meetings. Do not have conversations, meals or contact with Vendors or others about the evaluation until the contract is signed.

Remember that the Team decisions and materials are subject to public accountability. Make sure the team decisions are documented and have sufficient explanation that the public reader could understand the decision you made. Perform a fair evaluation of each proposal and set aside prejudices. Do not make, written or verbal, any derogatory or slanderous remarks about any Vendor. Make only those remarks or notes that you would be willing to share directly to the Vendor. The process is to be fair to all bidders, to be thoughtful and deliberative. It is an important responsibility that preserves the integrity of the public bid process.

#### **Please do:**

- Refer all questions from those external to the Team to the Buyer.
- Refer all requests for proposal clarification to the Buyer.
- Attend all meetings.

#### **Please do Not:**

- Do not discuss any aspect or any opinion of this process, the Proposers, proposals, or proposal ranking outside of the Committee forum;
- Do not accept gifts/meals or any type of gratuity or service from any Proposers;
- Do not give preferential treatment to any Proposer.

**Conflict of Interest:** Please work with the Buyer to understand the policies regarding conflict of interest, to ensure that neither you nor your potential team members could be perceived to cause a conflict of interest





# ITB PROJECT PLANNER

## **ITB Project Planning**

**This assists you through a competitive solicitation process, with step-by-step descriptions and a checklist to plan your process – for purchases above \$44,000 a year.**

**If you are doing a technology project, see the separate ITB Technology Project Planner.**

Checklist of Events	Checklist	Schedule Standards	Your Estimated Date
Send Blanket Contract Request (or one-time purchase Requisition) through your AP Department to City Purchasing	Done <input type="checkbox"/>	Day 1	
Meet the Buyer	Done <input type="checkbox"/>	Week 1	
<ul style="list-style-type: none"> <li>▪ Make a Date <ul style="list-style-type: none"> <li>○ ITB schedule</li> <li>○ Do you need a Team? If so, name</li> </ul> </li> </ul>	Done <input type="checkbox"/>		
Begin Meetings with Buyer:		Week 2	
<ul style="list-style-type: none"> <li>▪ Complete your Background Statement</li> </ul>	Done <input type="checkbox"/>		
<ul style="list-style-type: none"> <li>▪ Complete your Objectives</li> </ul>	Done <input type="checkbox"/>		
<ul style="list-style-type: none"> <li>▪ Complete Scope of Work/Specifications</li> </ul>	Done <input type="checkbox"/>		
<ul style="list-style-type: none"> <li>▪ Do you need a Contract Bond?</li> </ul>	Done <input type="checkbox"/>		
<ul style="list-style-type: none"> <li>▪ How do you want Price Increases?</li> </ul>	Done <input type="checkbox"/>		
<ul style="list-style-type: none"> <li>▪ Prepare a vendor list for Buyer</li> </ul>	Done <input type="checkbox"/>		
Buyer finalizes ITB Package	Done <input type="checkbox"/>	Week 3	
Buyer Releases ITB	Done <input type="checkbox"/>	Release Date	
Pre-Proposal Teleconference	Done <input type="checkbox"/>	Release + 1 week	
Deadline for Vendor Questions to Buyer	Done <input type="checkbox"/>	Release + 2 weeks	
Deadline for Buyer to Reply to Questions	Done <input type="checkbox"/>	Release +2 weeks	
Sealed Bids Due to the Buyer	Done <input type="checkbox"/>	Release + 3 weeks	
Buyer Reviews Responses	Done <input type="checkbox"/>	RFP Due Date + 1 day	
Bidder Tabulates (consults with Team if needed)	Done <input type="checkbox"/>	RFP Due + Days 2,3	
Buyer finalizes award decision	Done <input type="checkbox"/>	RFP Due + Day 4	
Buyer Announces to Vendors	Done <input type="checkbox"/>	Award Day	
Buyer Sends Vendor a List of Required Documents	Done <input type="checkbox"/>	Award + Day 1	
Sign Contract (if applicable)	Done <input type="checkbox"/>	Award + 10	

# The First Steps

Do you want an ongoing Blanket Contract or a one-time Purchase Order?

- For repetitive and ongoing purchases, fill out a Blanket Contract Request Form (available on the INWEB at <http://inweb/purchasing/forms.htm> or call 206-684-0444).
- If a one-time order, fill out an “Internal Request Form” from your Accounts Payable Office. Route through your AP Office to City Purchasing to initiate your request.
- You’ll attach a Project Description (described on the following page) to the Form to help the City Purchasing Office understand your purchase need.
- Once City Purchasing receives your request, you will be assigned a Buyer.
- The City Purchasing Buyer will first touch base with you, and you’ll begin planning your team.

## Start-Up Meeting with Buyer

**Start-Up:** Meet the Buyer. You and the Buyer will walk through an agenda that includes the following three items.

**Item 1: Is it an RFP or ITB?** The Buyer will advise you as to whether an Invitation to Bid (selection is based on lowest price) or a Request for Proposals (selection uses a team to evaluate and score various factors, such as pricing, experience, technical strengths).

**Item 2: Name the Team:** Do we need a team for this project? For an ITB, the Team may help draft specifications. The Buyer and Project Manager select and invite the team members. Select those who are willing to commit time and have expertise. Check for any obvious conflict of interest (the Buyer will meet with team members to review this more carefully). Some teams need to be larger in order to ensure representation from the most important stakeholders, although smaller groups are better. Generally 3-5 is an effective team size.

**Item 3: Rough out a Schedule:** For an Invitation to Bid (ITB), draft out a quick schedule for the project.

# Drafting the ITB Package

**You (and your team) will now draft up information for the Buyer to get the process underway. Write these down and meet with your Buyer:**

**Background Statement:** Write a brief (perhaps two paragraph) background statement to explain the project or products you seek. Explain why the City wants this, what started this (an ordinance, Mayor's initiative, etc), the history and the purpose. Explain if other City Departments are likely to buy the same product/service. If you are buying products repetitively, estimate how many you might expect to buy and how frequently.

**What are the objectives?** What are the things we would want this contract to accomplish?

We hope you'll have at least 5 of them. For example, we want this contract to:

- Select a vendor with long-term expertise in providing these services, so the City is guaranteed dependable, responsive, proven and expert services;
- Obtain the lowest cost (or maybe, instead, obtain the best quality);
- Secure a 24/7 emergency response capability;
- Select a local Vendor in the Seattle limits to allow immediate access by City crews;
- Schedule and assure dependable and routine deliveries to locations throughout the City.

## **Scope of Work and/or Product Specifications.**

- What exactly do you want to buy? Describe it. Provide a detailed written description, or narrate a description to the Buyer.
- If this is an Invitation to Bid (ITB), based entirely on price, you will want to be very specific. You won't have an opportunity to weigh and score which bidder best meets your needs.
- If this is a Request for Proposals, based on various evaluated and scored criteria, you can provide more general parameters and allow companies to instead describe their solution.
- Is this so large and complex, that you advise the City to require a Contract Bond? This would be unusual and typically reserved for complex, expensive custom-built projects. Technology projects often require Contract Bonds, which are essentially both a combined Performance and Payment Bond. If we require a Contract Bond, the winning bidder must supply the Bond in the amount we specify (usually the size of the contract) before the Purchasing Manager will sign the final contract. In order to guarantee that the company has the financial capacity to sign the bond, we usually require a "Letter of Commitment" be sent in with the RFP, as assurance that the bidder is qualified to obtain a bond if they were selected. We do this because upon occasion, we have had a successful bidder who couldn't be given a contract because in the end, they were unable to secure a Contract Bond. We want to avoid that situation.
- If you are buying a product, we will also want to know:
  10. Is there a specific brand name/manufacturer you require? If yes, can the Vendor propose substitutes?
  11. If you are buying a product distributed by resellers, does the manufacturer mandate that resellers are certified or authorized by the manufacturer?
  12. If you are buying products on a long-term contract, does the Vendor have to maintain inventory so you are assured rapid delivery?
  13. Do you want to pick-up the products at the Vendor location? If so, does the Vendor need to be located in Seattle?

14. Do you want delivery to your location?
15. Do you need them to have an order desk? If so, does it need to operate during business hours only or 24/7?
16. Are there environmental standards, recycled products that can substitute?
17. If you are buying a service, describe these:
  - What hours can they be on your job-site (8 to 5?)
  - What are the locations where service is desired
  - Are there any licenses or certifications required of the individuals performing the work?
  - Do prevailing wages apply? The Buyer can answer this question for you.
  - Does the service require a permit, and if so, who will pay for the permit – the Vendor or the City?
18. If you are buying a product, do you also want these:
  - Repair services
  - Warranty coverage
  - Training
  - Who is authorized to place the order?

**Deadline, schedules:** Specify your deadlines for delivery, response-times after orders are placed, or for when services need to start-up. Be very clear to the Buyer as to whether the deadline is just preferred or whether we must refuse their bid if they can't comply. What is the lead-time for transitioning to a new provider and cancelling the old contractor? What is the lead-time for product fabrication?

**Minimum Qualifications:** Is there a mandatory qualification they must have? This should be rare. Bidders must prove they comply, or we reject before scoring. Don't use these unless you have a specific explanation as to why this qualification is important to the City.

- Examples of Minimum Qualifications that might be appropriate in special situations:
  - Vendor must have been in this business 2 consecutive years, without interruption.
  - Vendor must have a licensed electrician at time of bid.
- Examples of inappropriate Minimum Qualifications:
  - Company must be responsible, experienced and capable.
  - Company must have good references.

**Price Increases:** The Buyer can help you review options for pricing. City usually allows price increases after two years, and/or may tie the price increases to a specialized price index. What do you want to use?

**Vendor List:** Provide a list of all the interested Vendors you know of. Search for women or minority owned firms. The Buyer will also help you search.

# Preparing the ITB Offer Sheet

**We will now turn to preparing the Offer Sheet.**

First, the Buyer will automatically require these items from the Vendor. These are mandatory and our standard package:

<b>Standard Items Buyer will automatically require</b>	<b>Notes</b>
Minimum Qualifications	If you had minimum qualifications, we require the Vendor send in a one-pager (or similar) to specifically answer how they meet each minimum qualification. Minimum Qualifications are those things that the Buyer will audit and will reject proposals that don't achieve the Minimum Qualification. This is not the same as "Mandatory Requirements" which are technical items that the Team should search and evaluate.
Equal Benefits	This is a Mandatory Form the Vendor must return to the City with their proposal. The Buyer will automatically include this in the RFP.
Vendor Questionnaire	Mandatory. Buyer will include this into the RFP.

**Next, you and Buyer design an Offer Sheet. You may need a specific list of Technical Specifications that they must adhere to and provide prices for; or you may simply require a simple pricing list. A sample Bid Offer Sheet is available on the Purchasing Forms and References Web site: <http://inweb/purchasing/forms.htm>.**

# Buyer Books the Rooms

**Make a Date:** If you need the Team to evaluate, before you publish your ITB, block out time on your Team's schedule to evaluate responses and interview time slots. Do this early because everyone's calendar is busy. Lots of advance time is needed to get team members in the room together. Block out two to three days about a week after ITB responses are due. Block out consecutive days; evaluations are most effective if the team meets non-stop until a decision is complete.

**Book the room:** For security, confidentiality and protection of the ITB responses, City Purchasing requires reading and scoring at City Purchasing offices. Your team needs to come into City Purchasing offices during the evaluation, and meet together as a team for the review. Documents must not be removed from City Purchasing offices unless approved by the City Purchasing Director. Evaluation room options are:

- \_\_\_ Contracting Bid Room (have Buyer book or call 684-0444 to reserve
- \_\_\_ SMT\_FFD\_4105 (use Groupwise to schedule)
- \_\_\_ SMT 40<sup>th</sup> Floor Conference Rooms (for help in scheduling, you may call the Buyer or City Purchasing at 684-0444)

# Buyer Publishes ITB

**The Buyer will finalize the ITB and prepare to publish it.**

- Buyer will advertise it in the DJC, on the City website, and often on the State bid system (known as WEBS). The Buyer will e-mail it off to Vendors we think are interested.
- Buyer conducts a pre-bid conference; Project Manager should attend, along with interested Team members.
- The Buyer will help lead the Q&A session, although the Project Manager will be important to helping answer the questions.
- Buyer issues addendums (if needed) to respond to questions and announce changes to the ITB.

# The Bids Arrive

**The Buyer does an initial review.** The Buyer verifies responsiveness (that the bid or proposal arrived on time, that it was properly signed, that the mandatory forms such as Equal Benefits were returned, Vendor Questionnaire submitted, etc) and responsibility (that they had a proper financial profile to do business with the City). The Buyer will confirm that they meet mandatory requirements if you had any (delivery deadline if it was mandatory, years in business if required). This takes day one and two after the ITB offers are sent in. The Buyer also calculates Pricing, and assembles the Team if needed to review compliance with mandatory specifications. The Buyer will hand out copies of the eligible responses to the Team once assembled.

**Buyer then calculates pricing.**

- The Buyer tabulates the pricing, confirms the mandatory specifications, adds prices up and documents the decision.
- If you intend to select multiple companies, the Buyer will include you and/or the Team to review the results to determine how many companies are in a competitive range to receive awards. The Team must go in consecutive order, beginning with the highest scoring company and remaining companies selected in consecutive order until the Evaluation Team determines there are sufficient Vendors to meet the City needs.

**Negotiations and Award:**

Negotiations are not allowed for an ITB. The Buyer will proceed to award with the lowest responsive and responsible bidder that meets the Mandatory Specifications.

**Confidentiality and Conflict of Interest**

All documents, decisions, information and opinions are to be managed in a way that is equitable and fair for all potential Vendors. Do not share unique information that could provide one Vendor an unfair advantage over all others. Once the bids are received, all information is confidential and not to be shared to anyone outside of Team meetings. Do not have conversations, meals or contact with Vendors or others about the evaluation until the contract is signed.

Remember that the Team decisions and materials are subject to public accountability. Make sure the team decisions are documented and have sufficient explanation that the public reader could understand the decision you made. Perform a fair evaluation of each proposal and set aside prejudices. Do not make, written or verbal, any derogatory or slanderous remarks about any Vendor. Make only those remarks or notes that you would be willing to share directly to the Vendor.

The process is to be fair to all bidders, to be thoughtful and deliberative. It is an important responsibility that preserves the integrity of the public bid process.

**Please do:**

- Refer all questions from those external to the Team to the Buyer.
- Refer all requests for proposal clarification to the Buyer.
- Attend all meetings.

**Please do Not:**

- Do not discuss any aspect or any opinion of this process, the Proposers, proposals, or proposal ranking outside of the Committee forum;
- Do not accept gifts/meals or any type of gratuity or service from any Proposers;
- Do not give preferential treatment to any Proposer.

**Conflict of Interest:**

Please work with the Buyer to understand the policies regarding conflict of interest, to ensure that neither you nor your potential team members could be perceived to cause a Conflict of Interest.





## ATTACHMENT #5 – CONTRACTING OUT MATERIALS

### **Employee or Independent Contractor?**

Source: Internal Revenue Service,

What differentiates an employee from a contract worker? Usually, control over where and how a worker completes tasks indicates an employer-employee relationship. The Internal Revenue Service (IRS) applies the following 20 factors to determine whether a worker is an employee or an independent contractor:

1. A worker who is required to comply with other people's instructions about when, where, and how he/she is to work is ordinarily an employee.
2. Training a worker by requiring an experienced employee to work with the worker or by using other methods indicates that the person or persons for whom the services are performed want the services performed in a particular method or manner, and thus indicates an employer-employee relationship.
3. Integration of the worker's services into the business operations generally shows that the worker is subject to direction and control and would thus be considered an employee.
4. If the services must be rendered personally, presumably the person or persons for whom the services are performed are interested in the methods used to accomplish the work, as well as in the results, indicating an employer- employee relationship.
5. If the person or persons for whom the services are performed hire, supervise, and pay assistants, that factor generally shows control over the workers on the job.
6. A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists.
7. The establishment of set hours of work by which the person or persons for whom the services are performed is a factor indicating control.
8. If the worker must devote substantially full time to the business of the person or persons for whom the services are performed, such person or persons have control over the amount of time the worker spends working and impliedly restrict the worker from doing other gainful work.
9. If the work is performed on the premises of the person or persons for whom the services are performed, or within a designated route or territory, that factor suggests control over the worker.
10. If a worker must perform services in a particular order or sequence, that factor shows that the worker is not free to follow his/her own pattern of work and indicates a degree of control.
11. A requirement that the worker submit regular or written reports indicates a degree of control.
12. Payment by the hour, week, or month generally points to an employer- employee relationship.
13. If the person or persons for whom the services are performed ordinarily pay the worker's business and/or traveling expenses, the worker is ordinarily an employee.

14. If person or persons for whom the services are performed furnish significant tools, materials, and other equipment, that tends to indicate an employer-employee relationship.
15. If the worker invests in facilities that he/she uses in performing services and are not typically maintained by employees (such as the maintenance of an office), that factor tends to indicate that the worker is an independent contractor.
16. A worker who can realize a profit or suffer a loss as a result of his/her services is generally an independent contractor.
17. If a worker performs services for a multiple of unrelated persons or firms at the same time, that factor generally indicates that the worker is an independent contractor.
18. The fact that a worker makes his/her services available to the general public on a regular and consistent basis indicates an independent contractor relationship.
19. The right to discharge a worker is a factor indicating that the worker is an employee and the person possessing the right is an employer.
20. If the worker has the right to end his/her relationship with the person for whom the services are performed at any time he/she wishes without incurring liability, that factor indicates an employer/employee relationship.

The above IRS criteria, taken from the IRS revised ruling 87-41, are also referred to as the "20 questions." When evaluating specific instances, keep in mind that the "safer" course is generally to require an external worker to be either an employee of your organization or of a staffing firm. In either case, the government would get its withheld taxes -- the major reason for the "20 questions." But be sure to consult your organization's legal and tax professionals to assist in this process.

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## Washington State Supreme Court

Under state statute about misclassification of employees, RCW 49.44, common law standards are to be used in determining whether a person is operating as an employee or as a contractor. These standards must be objective, such as whether there is control over the work, rather than relying on the arbitrary application of the label, "contractor."

Washington courts have adopted the Restatement (Second) of Agency § 220(2) (1958) which follows common law standards. The Restatement defines an independent contractor as a person who undertakes to perform work for another but who is not subject to that other person's control of, or right to control, the manner or means of performing the work. RCW 49.44 defines an employee broadly as a person who is providing services for compensation to an employer *unless* the person is free from the employer's direction and control over the performance of work.

The essential difference between the two types of workers revolves around control or right of control. If the employer exercises or retains any right of control over the manner or means by which the work is to be performed, then the one performing the work is an employee. On the other hand, if the employer or principal exercises or retains only the right to control the result of the work and not the manner or means by which it is to be accomplished, then the one performing the work is an independent contractor.


Washington courts look at the following factors in determining if a worker is a Contractor:

- (1) the extent of control the employer may exercise over the details of the work;
- (2) whether the worker is engaged in a distinct occupation or business;
- (3) the kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the employer or by a specialist without supervision;
- (4) the skill required in the particular occupation;
- (5) whether the employer of the worker supplies the instrumentalities, tools, and the place of work for the person doing the work;
- (6) the length of time for which the person is employed;
- (7) the method of payment, whether by the time or by the job;
- (8) whether or not the work is a part of the regular business of the employer;
- (9) whether or not the parties believe they are creating the relation of employer/employee;
- (10) whether the employer is or is not a business.

Other factors mentioned in the common-law test but not usually listed by Washington courts is the party's role in hiring and paying assistants, the extent of the worker's discretion over when and how long to work, the provisions of employee benefits, and the tax treatment of the hired party. (An interesting note is that the Internal Revenue Service also follows common law interpretation and can hold employers in violation of the tax code if it determines that the employer has not properly withheld taxes or filed W-2s or contributed its share of FICA. This is how the \$100 million *Microsoft* case got started.) It is not necessary that all of these factors be present nor is any factor conclusive. All directly or indirectly bear upon the crucial factor of control or right of control resident in the employer or principal.



## ATTACHMENT #6 – WMBE POLICY

Purchasing Services Division - Standard Operating Procedure 		
Subject: <b>WMBE OUTREACH</b>	Number	Supersedes 10-11-05
Approval:  _____ <b>Nancy Locke</b> <b>Director of City Purchasing</b>	Effective 5-1-09	Page

1. **PURPOSE:**

The City seeks socially responsible products and services for City business needs. City acquisitions support and encourage a diverse, equitable, and vibrant community and economy. The City recognizes that City spending has inherent impacts for social, human, health, environmental and economic development in our communities. This WMBE Policy works in tandem with Sustainable Purchasing, Equal Benefit and labor policies, to ensure socially responsible acquisitions.

Minority and women owned businesses are under-represented and do not achieve equal access and success if the City relies upon traditional models for City bidding. The City recognizes a need to proactively pursue strategies that provide greater support and outreach to bring these communities equally into competitive opportunities. This policy:

- Promotes solutions that recognize the spectrum of community impacts arising from the purposeful distribution of opportunities to diverse and underrepresented minority communities;
- Expects Departments and City Purchasing to increase awards to women and minority business, in order to create more equitable representation among vendors;
- Empowers Department and City Purchasing to be innovative and demonstrate leadership to incorporate progressive and best-practice strategies and practices for diversity, in tandem with other elements of social responsibility;
- Encourages diverse vendors to market their products and services;
- Encourages City Purchasing to make diverse vendors more visible and accessible to City departments as they make acquisition decisions;

- Encourages prime contractors to seek minority or women businesses in fulfilling City contracts;
- Complements City ordinances and Executive Orders for women and minority business;
- Communicates the City's commitment to socially responsible procurement, specifically for women and minority business.

2. **REFERENCE:**

- SMC: 20.42 (Equality in Contracting)
- RCW: 49.60.400 (prohibits preferences based on race or gender in contracting)
- Mayors Executive Order (01-02)

3. **DEFINITIONS:**

**Socially Responsible Purchasing:** Includes all aspects of social and environmental justice, including Equal Benefits, Women and Minority contracting, Environmental Sustainability, Fair Labor practices and policies.

**WMBE (Women and Minority Owned Business):** Companies that self-identify as being owned at least 50% by a women or minority. Some City Departments also use the term HUB (Historically Underutilized Business with the same definition).

4. **POLICY:**

a. **General Policy Statement**

The City seeks socially responsible goods and services, to integrate social equity, women and minority business opportunity, fiscal responsibility, economic development and environmental stewardship into each City acquisition. City Purchasing and all Departments shall actively encourage and support the policy.

b. **Department policies shall:**

- Promote, encourage, seek and support contracting and subcontracting opportunities for minority and women owned business, per SMC 20.42.
- Conduct and increase outreach efforts to women and minority owned businesses.
- Require and utilize selection processes that ensure improved access for WMBE vendors.
- Require prime contractors to seek qualified women and minority businesses for subcontracting.

c. **Preferences and Mandatory Goals Prohibited:** In accordance with State Law, the City prohibits preference points for WMBE firms when tabulating bids unless required and allowed by federal statutes, regulations, grants, and contract terms.

d. **Aspirational Goals:** The City actively uses aspirational goals to encourage subcontracting on City contracts. The City encourages, promotes, requires and may score prime Vendor efforts to recruit WMBE subcontractors and will seek meaningful aspirational goals for subcontracting and/or employment of women and minorities to perform contract work.

The Buyer shall require an Outreach Plan, and shall score extra points or reject an Outreach Plan (see Section 7 below) as appropriate.

e. **Social Responsibility Factors:** Purchase decisions shall achieve all socially responsible purchasing policies holistically and in concert with each other:

- Women and minority business opportunity and participation;
- Fair labor practices, health and retirement benefits, safety, livable wages, and worker rights;
- International Fair Labor Code of Conduct, including prohibitions on forced overtime, child labor, health and safety equal to the laws of the country of manufacturer;
- Human health impacts;
- Environmental justice (disproportionate environmental and health impacts on different population groups);
- Equal Benefits.

5. **WMBE Outreach Responsibilities:**

**City Departments shall:**

- Ensure City staff utilizes product and service standards, certifications and best practices that comply with this and other socially responsible purchasing policies in tandem with each other.
- Serve on best practice teams to collaborate with other departments and City Purchasing in standards, strategies and specifications that promote WMBE;
- Ensure internal policies and procedures that reference this policy and incorporate the use of products and services that meet the intent of this policy and other socially responsible criteria.
- Encourage pilot testing, direct voucher purchases and convenience contracts that promote WMBE business.
- The City recognizes WMBE self-identification, and tracks self-identification status accordingly as a supplement to the State of Washington Office of Minority and Women Business Enterprise (OMWBE) certifications. Buyers and City Departments shall encourage firms to register into the City Registration System and self-identify.
- City Departments and each City Purchasing Buyer shall search VCR, to the extent practicable, for WMBE options when preparing for an acquisition.
- Departments shall consider a policy that requires each employee to seek WMBE vendors among all companies available to fulfill a DV acquisitions.
- Departments and City Purchasing Buyers shall actively search and solicit WMBE businesses to create a bid list. Resources include at least OMWBE, Tabor 100, CDCC (Contractor Development Competitiveness Center), and the MBC (Minority Business Council).

**City Purchasing shall:**

- Promote and ensure that bid and contract strategies incorporate the most favorable standards and best practices.

- Stay current, active and informed on WMBE strategies and resources;
- Encourage and promote contracts to other public agencies that offer socially responsible and WMBE products.
- Ensure purchasing guidelines and other internal procedures reference this policy and incorporate best practices for specifying products and services that meet the intent of this policy and socially responsible purchasing;
- Integrate boilerplate language into solicitations, and maintain and update such language to incorporate evolving standards;
- Encourage pilot testing for socially responsible products and services, including pilot testing and convenience contracts to encourage WMBE business.
- The City Purchasing Buyer is encouraged to contact WMBE firms in advance of specification and bid development to learn of WMBE presence in the marketplace.
- The City Purchasing Buyer will structure acquisitions to create WMBE opportunity:
  1. Multiple awards and vendor pools. City Purchasing may award to multiple vendors, awarding progressively in order from highest-ranked or lowest-price, until a sufficient number of vendors receive awards. A sufficient number will be the decision of the Buyer, to enhance a socially responsible pool of vendors that bring forward competitive and fiscally responsible awards. Such vendor pools will allow departments to select and purchase from any vendor receiving an award in the pool.
  2. Request for Proposals: City Purchasing may consider using an RFP which can evaluate and weigh factors in addition to price alone. This process recognizes and factors that are traditionally not reflected in a low-bid award, and recognizes that often such factors are valuable to the City and advantages found with many WMBE or small businesses.
  3. Debundling: Issuing smaller bid projects in lieu of one large, bundled bid. This may be used if it is reasonable to split the work up into separate components, and where there is potential to increase WMBE participation and competition.
  4. Convenience Contract: A Buyer may identify a new product or service through outreach, which is not well-known but could serve a City need. The Buyer may establish a Convenience Blanket. If there is little or no expectation or experience for predicting spend, these are considered less than sealed bid limits.
- 6. **WMBE Organizations and Outreach:** All departments, including City Purchasing, will actively participate and support organizations that encourage WMBE access, and will conduct trade shows or other events to increase visibility of WMBE vendors within City Departments.
- 7. **Contract Language and Prime Contractor Outreach Plans:**

City Purchasing will use standard Terms and Conditions that include Equal opportunity and non-discrimination Terms; Non-discrimination by Contractor and SMC 20.42.

City Purchasing shall actively use Outreach Plans to promote SMC 20.42. The Buyer shall require any interested Bidder (except DV purchases, piggyback, sheltered workshop) to submit



a plan with the Vendor Questionnaire. The Vendor must identify subcontracting and submit an Outreach Plan accordingly.

For acquisitions likely to have significant subcontracting, the Buyer must consider an RFP to score the Outreach Plan as a priority element in vendor selection. Alternatively, the Buyer should screen incoming bids/proposals for a responsive and reasonable Outreach Plan before the Bid/proposal is accepted to move forward for evaluation or tabulation.

City Purchasing can promote resources to primes, such as Tabor 100, Minority Business Council and CDCC. The Buyer and Department may host a “Meet and Greet” forum to introduce primes to potential subcontractors or provide a list of WMBE vendors.

During the contract, DEA may conduct compliance audits. The Buyer will assist by providing contract files upon the request of the Contracting Services Manager. Should an audit, complaint, or other situation indicate to the Buyer that the Vendor is not fulfilling the obligations of SMC 20.42; the Buyer will alert the Purchasing Director. The Purchasing Director will advise as to corrective actions, termination or debarment.



## ATTACHMENT #7 – GREEN/SUSTAINABILITY POLICY

### **City of Seattle Sustainable Purchasing Policy**

Published by: Department of Executive Administration, City Purchasing

Original publication date – 2004

Modified version – August 11, 2008

#### **1. Purpose**

In accordance with the City of Seattle environmentally preferable purchasing ordinance, the City of Seattle recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a diverse, equitable, and vibrant community and economy. The City recognizes that the products and services the City buys have inherent social, human, health, environmental and economic impacts and that the City should make procurement decisions that embody promote and encourage the City's commitment to sustainability.

This Sustainable Procurement Policy is intended to:

- Encourage the purchase and use of materials, products and services that best align with the City's fiscal, environmental, climate change, social, community and performance goals;
- Reduce the spectrum of environmental impacts from City use of products, including reduction of greenhouse gas emissions, reduction of landfill waste, health and safety risks, and resource consumption;
- Incorporate sustainability standards into procurement decisions;
- Empower Department and City Purchasing staff to be innovative and demonstrate leadership by incorporating progressive and best-practice sustainability specifications, strategies and practices in procurement decisions;
- Encourage vendors to promote products and services that they offer which are most suited to the City sustainability principles;
- Complement City ordinances and sustainability policies;
- Encourage and promote both local and national companies to bring forward emerging and progressive sustainable products and services, by being a consumer of such products and companies; and
- Communicate the City's commitment to sustainable procurement, by modeling the best product and services choices to citizens, other public agencies and private companies.

## 2. Organizations Affected

All City departments that make purchases of goods and services or that contract with others to make purchases.

## **3. Ordinance and Regulation**

The City has the following ordinances and policies that govern sustainable purchasing:

1. SMC 20.60.200 et. Seq., Reusable Products, Recycled Content Products, and Recyclable Products Procurement Program
2. Resolution 27828, directing Solid Waste to develop policies and practices to encourage, increase, and require recycling, waste reduction, and the purchase of recycled products.
3. Resolution 28556, authorizing the Director of ESD to develop a “Recycled-content Procurement Plan.”
4. Resolution 29949 –implementation of Copernicus, encouraging the City to act as a regional partner in environmental protection
5. City Council Resolution #30487 on Persistent Bioaccumulative Toxins
6. Executive Order for Paper - #01-05
7. City Pesticides Reduction rules
8. City Sustainable Building Action Plan
9. City Green Fleets Initiative
10. Seattle Green Ribbon Commission Report on Greenhouse Gases
11. Seattle Solid Waste Management Comprehensive Plan)

## 4. Policy

### **a. General Policy Statement**

The City shall acquire its goods and services in a manner that integrates fiscal responsibility, social equity, women and minority business opportunity, and environmental stewardship. Each City Department shall comply with this policy and actively encourage department decisions that reflect the policy objectives. City Purchasing (Department of Executive Administration), shall actively promote and encourage product and service acquisitions compliant to the policies and guidelines adopted herein.

### **b. Sustainability Factors**

Environmental factors to be considered in product and service acquisitions include, but are not limited to, the assessment of:

- Pollutant releases and toxins, especially persistent bioaccumulative toxins (PBTs), air emissions, and water pollution;
- Waste generation and waste minimization;
- Greenhouse gas emissions;
- Recyclability and Recycled content;
- Energy consumption, energy efficiency, use of renewable energy;
- Depletion of natural resources; ~~and~~
- Potential impact on human health and the environment;
- Impacts on biodiversity

- Environmental practices that vendors and manufacturers have incorporated into their office and production process.

#### **c. Preferences**

City Purchasing does not calculate a direct price preference for recycled products in the selection of winning bidders because the City prefers to directly implement product decisions that are most environmentally preferable.

The City instead establishes a minimum specification with the most environmentally preferable solutions for particular products, and may also utilize a scored evaluation criteria allowing additional points for positive environmental product options, corporate practices, and other environmental solutions proposed by the Bidder.

#### **d. Social Equity Factors**

Product and service acquisitions shall consider and incorporate other City policies of social equity, responsible purchasing, and justice, as appropriate to each acquisition, in a way that supports each of the policy initiatives holistically and in concert with each other:

- Women and minority business opportunity and participation
- Fair labor practices, health and retirement benefits, safety, livable wages, and worker rights.
- International Fair Labor Code of Conduct, including prohibitions on forced overtime, child labor, health and safety equal to the laws of the country of manufacturer.
- Human health impacts
- Environmental justice (disproportionate environmental and health impacts on different population groups)

### **5. Use of Best Practices**

City Purchasing and City employees will utilize best practices in sustainable procurement as they evolve. As it applies to this policy, best practices in sustainable procurement are those that utilize leading edge sustainability factors, standards and procedures.

### **6. Source Reduction and Reuse**

City Purchasing and City Departments will promote and encourage strategies to reduce consumption, due to the societal and community costs, such as landfill waste handling, toxin exposures, resource depletion, and greenhouse gas emissions:

- Reduced City consumption;
- Purchase of remanufactured, recycled, or reusable products;
- Minimized packaging;
- Reduced entry of toxic chemicals into the City consumption stream;

- Products that are durable, long lasting, reusable, recyclable, or otherwise greater less waste; and
- Manufacturer or vendor take-back programs and/or participation in the King County “Take Back” program.

## 7. Environmental Standards and Product and Certifications

**Standards:** In accordance with SCM 20.60 the City standard for all acquisitions shall be compliant at list to:

- The U.S. Environmental Protection Agency (USEPA) standards whenever published for a product or services; and
- The State of Washington Prohibited Toxins list, that prohibits specified chemicals (see Washington Department of Ecology prohibited toxins <http://www.toxicfreelegacy.org/pbtlist.html> .

**Third-Party Certifications:** City Departments and City Purchasing shall apply the most stringent third-party label standard available for a product or service being acquired. The City shall use independent, third-party social and/or environmental (eco) product or service label certifications when writing specifications for, or procuring materials, products, or services, whenever a responsible label standard is available. Qualifying labels shall be:

- Developed and awarded by an impartial third-party;
- Developed in a public, transparent, and broad stakeholder process; and
- Represent specific and meaningful leadership criteria for that product or service category.

In addition, whenever possible, label standards used in product or service specifications should represent standards that take into account multiple attributes and life-cycle considerations, with claims verified by an independent third party.

## 8. City Code and State Law

It is the intent of this policy to complement City code and State laws. When such code or law is updated to accommodate a more rigorous standard, the policy shall be considered to likewise require such additional provision.

## 9. Acquisition Responsibilities

City Departments shall:

- Ensure City staff utilizes product and service standards and certifications and best practices that comply with this policy.
- Serve on specification or best practice teams, to collaborate with other departments and City Purchasing in standards, strategies and specifications;
- Ensure internal policies and procedures that reference this policy and incorporate the use of sustainable products and services that meet the intent of this policy.
- Encourage pilot testing for environmentally preferable/sustainable products.

City Purchasing shall:

- Promote and ensure that bid and contract strategies incorporate the most favorable standards and best practices in sustainable procurement.
- Stay current and informed on advances in sustainable procurement specifications and strategies;
- Consult with the experts available in the City when reviewing or designing specifications, to sure progressive and emerging specifications for the product or service being solicited;
- Research and incorporate the USEPA, EPEAT or other appropriate best standards; incorporate the applicable third-party seal or certification as a product or service standard;
- Prohibit toxins (see Washington State Department of Ecology list of prohibited Toxins) and seek exemptions from vendors as applicable;
- Encourage vendors to bring forward product and service approaches, solutions and alternatives;
- Ensure that evaluation criteria for selecting a product or service incorporates and encourages sustainable factors by providing scored points or incorporates minimum specifications;
- Ensure that the qualification of a company as a responsible bidder includes a criteria for incorporating environmentally responsibility;
- Encourage and promote contracts to other public agencies that offer sustainable products and best practices.
- Ensure purchasing guidelines and other internal procedures reference this policy and incorporate best practices for specifying products and services that meet the intent of this policy;
- Integrate sustainable procurement boilerplate language into the solicitation templates, and maintain and update such language to incorporate evolving standards;
- Encourage pilot testing for environmentally preferable/sustainable products.

#### **10. Education and Technical Assistance**

DEA (City Purchasing) shall join Seattle Public Utilities (SPU), the Office of Sustainability and Environment (OSE), and other Departments to:

- Establish a Green Team to advice, strategize and promote environmental purchasing;
- Disseminate information to City staff about sustainability standards and environmentally preferable practices and strategies;
- Disseminate information about vendors and City contracts for such products or services;
- Encourage and participate in user groups and other opportunities to test and discuss new products.

- Appoint Evaluation Teams for solicitation specifications and selections that include users knowledgeable or informed of the sustainable purchasing objectives and product specifications, standards and labels; and
- Encourage pilot testing of new products or services.

## **11. Data Collection and Performance Reporting**

City Purchasing shall:

- Require vendors supply data for performance tracking and evaluation of the City's environmentally responsible purchasing program upon request; and
- Compile records for producing an annual summary of the City's environmentally responsible/sustainable purchasing actions, and to evaluate the effectiveness in reducing the environmental impacts of City procurement.

Each City department shall cooperate in information gathering for the purposes of tracking, reporting, and evaluating the sustainable purchasing program.

## **12. Market Enhancement**

City Purchasing shall join with and encourage City Departments to:

- Seek opportunities to cooperate with other jurisdictions to enhance markets for environmentally preferable/sustainable products, to obtain favorable prices, and to reduce waste packaging and product by combining purchases/contracting for the same or similar products; and
- Promote and encourage vendors, particularly local vendors, in production and distribution of emerging and progressive products and services.

**Definitions:**

**Environmentally Preferable Product:** A product that has a reduced negative effect or increased positive effect on human health and the environment when compared with competing products that serve the same purpose. This comparison may consider raw materials acquisition, production, fabrication, manufacturing, packaging, distribution, reuse, operation, maintenance, and disposal of the product. This term includes, but is not limited to, recyclable products, recycled products, and reusable products.

**Performance:** The efficacy of a product, material or service to accomplish its intended task or job

**Life Cycle Assessment (LCA):** The comprehensive examination of a product's environmental impacts throughout its lifetime, including new material extraction, transportation, manufacturing, use, and disposal.

**Life Cycle Cost Assessment (LCCA):** The comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of service and disposal costs.

**Recyclable Product:** A product or package made from a material for which curbside or drop-off collection systems are in place for a majority of City residents or businesses, to divert from City solid waste for use as a raw material in the manufacture of another product or the reuse of the same product.

**Recycled Content Product:** A product containing a minimum of twenty-five percent (25%) recycled materials except in those cases where the U.S. Environmental Protection Agency has adopted procurement guidelines under the Resource Conservation Recovery Act of 1976. In those cases, the minimum content of recycled material shall not be less than specified in the most current adopted issue of those guidelines.

**Reusable Product:** A product that can be used several times for an intended end use before being discarded, such as a washable food or beverage container or a refillable ballpoint pen

**Sustainable Product:** A product that achieves performance objectives while respecting the City's values and balancing: environmental stewardship, social equity, fiscal responsibility and community enhancement.

**Sustainable Purchasing:** Purchasing materials, products, and labor in a manner that reflects fiscal responsibility, social equity, community and environmental stewardship.