AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, September 19, 2024 - 3:00 PM
Community Rooms

This meeting may also be accessed through Zoom at https://zoom.us/j/93216056382 or by calling (253) 215-8782 and entering Meeting ID 932 1605 6382.

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

1. **Introduction of Planning Commission Appointee: Bizhan Nasseh**
   Mayor Tracie Markley

2. **Commercial Cross Connection Control Policy and Procedures**
   Public Works Director Jeff Langhelm

3. **Flock Camera Draft Policy**
   Chief of Police Kelly Busey

4. **Proposed Purchasing and Contracting Policies and Procedures**
   Public Works Director Jeff Langhelm

5. **Employee Recognition Policy**
   City Administrator Katrina Knutson

6. **City Administrator Updates**
   City Adminstrator Katrina Knutson

ADJOURN

PUBLIC COMMENT & DECORUM

Public comment will be not be accepted at this study session.

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the city clerk at cityclerk@gjgharborwa.gov or (253) 853-7613 at least 24 hours prior to the meeting.

City of Gig Harbor
City Council Agenda Bill

Meeting Date: September 19, 2024

SUBJECT: Commercial Cross Connection Control Policy and Procedures

SUBMITTED BY: Public Works Director Jeff Langhelm
DEPARTMENT: Administration **PHONE:** (253) 853-7630

SUGGESTED MOTION: None.

BACKGROUND INFORMATION: The City of Gig Harbor's water department currently uses almost 60 miles of water main to serve more than 3,500 customers. A critical part of the operation of the water system includes city staff implementing a series of required measures to protect our valuable public water system. This includes protection from potential contaminated water due to improper connections. These protections are outlined in Chapter 13.06 of the Gig Harbor Municipal Code, "Cross-Connection Control and Backflow Prevention."

The purpose of the proposed attached policy is to establish the process and timeline for staff to perform cross connection control surveys. These surveys are required on all commercial properties and all high hazard facilities per Table 13 in WAC 246-290-490 that are served by the city's water system. The associated procedures and timeline have been established based on GHMC 13.06 and outline how the code will be implemented by staff.

At the September 12 study session public works staff will review the proposed policy and procedures with council.

FISCAL CONSIDERATION: None.

ATTACHMENTS:
1. DRAFT Commercial Backflow Survey Policy

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities

PURPOSE

The City of Gig Harbor's Water Department currently uses almost 60 miles of water main to serve more than 3,500 customers. A critical part of the operation of the water system includes city staff implementing a series of required measures to protect our valuable public water system. This includes protection from potential contaminated water due to improper connections. These protections are outlined in Chapter 13.06 of the Gig Harbor Municipal Code, "Cross-Connection Control and Backflow Prevention."

The purpose of this policy is to establish the process and timeline for performing cross connection control surveys on all commercial properties and all high hazard facilities per Table 13 in WAC 246-290-490 that are served by the city's water system. This process and timeline have been established based on information provided in GHMC 13.06.

POLICY

In accordance with GHMC 13.06 and WAC 246-290-490 the city has developed this policy and the associated procedures to implement this policy. Surveys are necessary to determine which commercial properties have the highest backflow risk to the City's water system. As such, this city requires those properties to install the appropriate backflow assembly to eliminate this risk.

PROCEDURE

Below are the procedures staff will follow to complete the cross-connection control surveys. A timeline of 75 calendar days has been established from initial contact to discontinuation of water service, which is consistent with GHMC 13.06.

Step 1: Send commercial customer initial **Commercial Cross Connection Survey Letter** and **Commercial Cross Connection Survey Form**. This letter will require a response back within 30 days of the date on letter.

Step 2: Depending on the results of the Survey Form, or if no response to Survey Form is received then the following two scenarios will occur:

A. If Survey Form identifies a potential cross connection risk or if the form information seems vague or incorrect then we will send them the **Request for Cross Connection Site Inspection Letter.** They have 14 days to respond to this request. If they grant us permission to perform this inspection, then the clock will stop until inspection is completed, and a determination of hazard is identified. If they don't allow us to perform the inspection, then they will be sent the **Cross Connection Control High Hazard Correction Notice Letter**.

B. If we get no response back from the customer, then we will send them **Cross Connection Control High Hazard Correction Notice.** This letter will inform them that they will need to install the appropriate backflow assembly before the 75th day of the initial notification or their water service will be discontinued. After the 34th day following the correction notice, a 10-day shut off notice will be mailed certified mail, and a door hanger will be placed on their property. Following the 10-day notification, a 24-our shut off notice will be placed on the property. Water will then be shut off following the 75th day following initial notification.

Staff's intent is to work with the customer to ensure that the proper backflow device is being installed to protect the city's water system. Therefore, this timeline may be extended if the customer is able show they are progressing toward a solution to their cross connection/ backflow issues.

Outline of 75 Day Timeline

1. Send Commercial Cross Connection Survey Letter 30 days to respond. (Days 0 to 30)

2. Send Commercial Cross Connection Correction Notice Letter they have 45 days to become compliant, start shut off process at 34 days following correction notice. (Days 31 to 64)

3. If no action is taken at 34 days following the correction notice (Day 65), a 10-day shut off letter will be sent certified mail, and a door hanger will be placed on premises. (Day 64 of 75)

4. 24-hour shut off notice given. (Day 75)

5. Discontinue water service. (disconnection of water service on the first business day following Day 75)

City of Gig Harbor
Backflow / Water Department
3510 Grandview Street
Gig Harbor, WA 98335
Phone: (253) 851-6157
backflow@gigharborwa.gov

<<DATE>>

<<Customer Name>>
<<Customer Mailing Address>>
<<Gig Harbor, WA 9833X>>

RE: Commercial Cross Connection Survey

The city is constantly vigilant to protect our drinking water from contamination. As such, and to remain in compliance with the Washington State Department of Health requirements (WAC 246-290-490), the City of Gig Harbor carries out our Cross-Connection Control and Backflow Prevention in accordance with GHMC 13.06. A cross connection is any actual (or potential) physical connection between a potable (drinking) water pipe and any other pipe, system or machine that contains non-potable fluids. This includes any source that has the possibility of containing non-potable substances, and where it is possible for those substances to find their way into the drinking water system.

An essential part of our cross-connection control program is an assessment to determine the degree of hazard, if any, which is posed by each customer's plumbing system. Commercial customers pose a special concern because of the greater complexity of the plumbing system, water use, and fire protection systems. The required backflow assembly requirements for commercial sites will be determined by the type of business, water use, and other factors as defined by WAC 246-260-490.

The enclosed survey is being sent to you so that we can inventory all commercial sites that are a potential cross connection hazard and work with you to prevent backflows. Please fill out the attached Commercial Cross Connection Survey and return it to City of Gig Harbor Backflow/ Water Department by <<DUE DATE>>. Please email completed survey forms to: backflow@gigharborwa.gov

It is vital that we receive a response from each customer so that we can work diligently to protect the public water supply. Customers who <u>do not</u> complete this survey by <<DUE DATE>> will be required to install a reduced pressure backflow assembly within 75 days of this survey to prevent disruption of water service.

If you do have a backflow assembly installed at this time, please include a copy of the latest test results with your survey so our records can be updated. Please include the name of the individual who installed the assembly and who tested it last.

We appreciate your time in completing this survey. Should you have any questions about this survey, please contact us at the email or phone number listed above.

Sincerely,

Dave Fischbach
Cross Connection Control Specialist

Automated License Plate Readers

419.1 PURPOSE AND SCOPE

Automated License Plate Reader (ALPR) technology, also known as License Plate Recognition, provides automated detection of license plates. ALPR is used by the Gig Harbor Police Department to convert data associated with vehicle license plates for official law enforcement purposes, including identifying stolen or wanted vehicles, stolen license plates, and missing persons. ALPRs may also be used to gather information related to active warrants, homeland security, suspect interdiction, and stolen property recovery. ALPRs may be mobile (i.e., mounted on department vehicles) or mounted at fixed locations.

419.2 ADMINISTRATION OF ALPR DATA

All installation and maintenance of ALPR equipment, as well as ALPR data retention and access, shall be managed by the Operations Lieutenant.

419.3 ALPR OPERATION

Use of an ALPR is restricted to the purposes outlined below. Department personnel shall not use, or allow others to use, the equipment or database records for any unauthorized purpose.

(a) An ALPR shall only be used for official and legitimate law enforcement business.

(b) An ALPR may be used in conjunction with any patrol operation, official department investigation, or legitimate public safety purpose.

(c) An ALPR may be used to canvass license plates around any crime scene. Partial license plates reported during major crimes should be entered into the ALPR system in an attempt to identify suspect vehicles.

(d) No member of this department shall access ALPR data or images without first completing department-approved training.

(e) No member of this department shall access or view ALPR data or images unless they are currently certified as an ACCESS Level I user.

(f) If practicable, the officer should verify an ALPR response through the Central Computerized Enforcement Service System (ACCESS) before taking enforcement action that is based solely upon an ALPR alert.

(g) No personnel may retrieve ACCESS data unless otherwise authorized to do so.

419.3.1 ALPR NOTIFICATIONS

If so equipped, an ALPR system may send real time alerts to department personnel when a stolen, wanted, or "Hot List" vehicle is captured. A "Hot List" is a listing of vehicle license plates associated with a current law enforcement investigation. These alerts may only be sent to department-owned communications devices (i.e., phone or email). Personnel shall notify South Sound 911 dispatch in conjunction with any response to that notification.

If the alert is generated by another agency "Hot List" entry, the involved officer shall make efforts to confirm the validity of the entry with the other agency before gaining contact with the suspect vehicle or related persons, as circumstances allow.

If any response or action results in no further need to have alerts placed on the associated vehicle (e.g., arrest of suspect, recovery of stolen vehicle), the involved officer shall ensure that the vehicle is removed from any Gig Harbor Police Department generated "Hot List" or from WACIC/NCIC as appropriate. If the notification is generated by another agency "Hot List" entry, the involved officer shall contact the originating agency and advise them of any contact with the associated vehicle. No notification is necessary if the associated vehicle is not contacted by law enforcement.

419.4 ALPR DATA COLLECTION, SHARING, AND RETENTION

All data and images gathered by an ALPR are for the official use of the Gig Harbor Police Department and shall not be released except as allowed by law. ALPR data may only be accessed for a legitimate law enforcement purpose or as otherwise allowed by law.

ALPR information gathered and retained by this department may be used and shared with prosecutors or other entities only as permitted by law. The Gig Harbor Police Department can participate in a data sharing agreement with other law enforcement agencies, as well as accept data (not share) from private entities which gather ALPR data in real time (e.g., homeowners associations, businesses, etc.).

All ALPR data will be stored at the host server level for no more than 30 days unless retained by the department. All ALPR data retained by the department shall be stored according to the Washington State Law Enforcement Records Retention Schedule. Where retention for investigative, court, or public record purposes is required, the applicable data should be downloaded from the server onto portable media and booked into evidence.

419.5 VEHICLE WATCH LIST AND HOT LIST ENTRY

Upon the approval of any supervisor, department personnel may enter a vehicle license plate into a Vehicle Watch List or "Hot List" of wanted vehicles or vehicles of interest under any of the following circumstances:

(a) A vehicle associated with an Amber or Silver Alert

(b) A stolen vehicle

(c) A vehicle associated with a suspect wanted in an active criminal investigation

(d) A vehicle associated with a Respondent in an active Order for Protection

The entry of the vehicle must be documented in an official police report and the entry must prescribe a duration for the vehicle to be active on the "Hot List," not to exceed one year. Any extension of this entry must be approved by a Command Officer.

419.6 ACCOUNTABILITY AND SAFEGUARDS

All saved data will be closely safeguarded and protected by both procedural and technological means. The Gig Harbor Police Department will observe the following safeguards regarding access to and use of stored data:

(a) All non-law enforcement requests for access to ALPR data maintained by this department shall be referred to the Records Section and processed in accordance with applicable law.

(b) All ALPR data shall be accessible only through a login/password-protected system capable of documenting all access of information by name, date, and time.

(c) Such ALPR data maintained by this department may be released to other authorized and verified law enforcement officials and agencies upon request for legitimate law enforcement purposes consistent with this policy.

(d) ALPR system audits should be conducted quarterly, to include the ongoing need to maintain a vehicle on a "Hot List" entry maintained by this department.

(e) Utilization of the ALPR system may be summarized in an annual department professional standards report.

City of Gig Harbor
City Council Agenda Bill

Meeting Date: September 19, 2024

SUBJECT: Proposed Purchasing and Contracting Policies and Procedures

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SUBMITTED BY: Public Works Director Jeff Langhelm
DEPARTMENT: Administration **PHONE:** (253) 853-7630

SUGGESTED MOTION: None.

BACKGROUND INFORMATION: Resolution 1066 established a series of purchasing and contracting procedures for the City of Gig Harbor. Due to changes in other city policies and procedures, and due to changes in state laws, some of the procedures set forth in Resolution 1066 are no longer valid.

The proposed Contracting Policy and Procedures and Purchasing Policy and Procedures separate purchasing to provide more clear direction to staff. Each is intended to guide and assist city staff on requirements as set forth in council guidelines, the Gig Harbor Municipal Code, and Washington State statutes.

At the September 12 study session, staff will review the two proposed draft documents for consideration by council. Based on the outcome of the September 12 study session, staff may present these documents to council at an upcoming meeting for adoption by resolution.

FISCAL CONSIDERATION: None.

ATTACHMENTS:

1. Contracting Policy and Procedures_DRAFT
2. Purchasing Policy and Procedures_DRAFT
3. Resolution 1066

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 2 - Ensure sustainable future for public services and facilities

City of Gig Harbor

Contracting
Policy and Procedures

October 1, 2024

Table of Contents

1.0 Purpose of the Policy

This Contracting Policy and Procedures is provided to guide and assist City of Gig Harbor ("City") staff on contracting requirements as set forth in the Gig Harbor Municipal Code and Washington State statutes. These may include public works contracting and contracting for professional services. Contracts that include federal funding shall also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published under Title 2 of the Code of Federal Regulations (2 CFR 200).

The Policy and Procedures establish guidelines and clarify procedures for contracting for services by the City of Gig Harbor. The procedures set forth in this manual are designed to ensure the City receives maximum value for each tax and utility dollar expended, assuring fiscal responsibility in the procurement process.

This edition of the Contracting Policy and Procedures is dated October 1, 2024, and supersedes all previous directives. All references to the Revised Code of Washington (RCW) and/or city ordinances shall be incorporated as part of this policy including all future amendments.

In cases where these policies conflict with any city ordinance, state or federal law or regulations, the terms of that law or regulation prevails. In all other cases, these policies apply.

2.0 Definitions

For the purpose of these procedures and the interpretation and enforcement thereof, the following words and phrases shall be defined in state and federal law. The definitions outlined below are for reference purposes only.

<u>Public Work</u> (RCW 39.04.010)

"Public Work" means all work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the state or any municipality, or which is by law a lien or charge on any property therein. All public works, including maintenance when performed by contract shall comply with chapter 39.12 RCW.

<u>Prevailing Rate of Wage</u> (RCW 39.12.010)

1) The "prevailing rate of wage" is the rate of hourly wage, usual benefits, and overtime paid in the locality, as hereinafter defined, to the majority of workers, laborers, or mechanics, in the same trade or occupation. In the event that there is not a majority in the same trade or occupation paid at the same rate, then the average rate of hourly wage and overtime paid to such laborers, workers, or mechanics in the same trade or occupation is the prevailing rate. If the wage paid by any contractor or subcontractor to laborers, workers, or mechanics on any public work is based on some period of time other than an hour, the hourly wage is mathematically determined by the number of hours worked in such period of time.

(2) The "locality" is the largest city in the county wherein the physical work is being performed.

(3) The "usual benefits" includes the amount of:

(a) The rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person pursuant to a fund, plan, or program; and

(b) The rate of costs to the contractor or subcontractor, which may be reasonably anticipated in providing benefits to workers, laborers, and mechanics pursuant to an enforceable commitment to carry out a financially responsible plan or program which was communicated in writing to the workers, laborers, and mechanics affected, for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying costs of apprenticeship or other similar programs, or for other bona fide fringe benefits, but only where the contractor or subcontractor is not required by other federal, state, or local law to provide any of such benefits.

(4) An "interested party" includes a contractor, subcontractor, an employee of a contractor or subcontractor, an organization whose members' wages, benefits, and conditions of employment are affected by this chapter, and the director of labor and industries or the director's designee.

(5) An "inadvertent filing or reporting error" is a mistake and is made notwithstanding the use of due care by the contractor, subcontractor, or employer. An inadvertent filing or reporting error includes a contractor who, in good faith, relies on a written determination provided by the department of labor and industries and pays its workers, laborers, and mechanics accordingly, but is later found to have not paid the proper prevailing wage rate.

(6) "Unpaid prevailing wages" or "unpaid wages" means the employer fails to pay all of the prevailing rate of wages owed for any workweek by the regularly established pay day for the period in which the workweek ends. Every employer must pay all wages, other than usual benefits, owing to its employees not less than once a month. Every employer must pay all usual benefits owing to its employees by the regularly established deadline for those benefits.

(7) "Rate of contribution" means the effective annual rate of usual benefit contributions for all hours, public and private, worked during the year by an employee (commonly referred to as "annualization" of benefits). The only exemption to the annualization requirements is for defined contribution pension plans that have immediate participation and vesting.

<u>Emergency</u> (RCW 39.04.280)

"Emergency" means unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

MRSC

The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their citizens by providing legal and policy guidance on any topic. MRSC can be accessed by phone (800-933-6772), mail (2601 4th Avenue, Suite 800, Seattle WA 98121), or internet (www.mrsc.org).

3.0 General Provisions

3.1 Authorizations / Certifications

Only authorized employees acting within the scope of their authority may obligate the City of Gig Harbor in the contracting for goods and services. Any employee contracting on behalf of the City without proper authorization may be personally liable to the contractor and/or the City and subject to disciplinary action.

The Gig Harbor City Council hereby adopts the project thresholds, contract processes and contract authorizations set forth in Appendix I, provided the project is identified in the current city budget and the contract procurement does not exceed the amount identified in the current city budget. All other contract procurements must be presented to the city council for award and authorization.

3.2 Code of Ethics / Conflicts of Interest

The public must have confidence in the integrity of its government. A code of ethics must apply and give guidance to all employees and elected officials so that they may conduct themselves in a manner which will be compatible with the best interests of themselves and the City of Gig Harbor.

Proper operation of the City's contracting program requires observation of the following ethical standards:

- Actions of city employees will be impartial and fair.
- Government decisions and policies will be made in the proper channels of government structure.
- Public employment must not be used for personal gain.
- The City of Gig Harbor will not accept donations of materials or services in return for a commitment to continue to initiate a contracting relationship.
- City employees may neither solicit, accept, nor agree to accept any gratuity for themselves, their families or other that results in their personal gain which may affect their impartiality in making decisions on the job.

The following are examples of items not considered gratuities:

  - Discounts or concessions realistically available to the general population.
  - Items received that do not result in personal gain.

- Samples used for general use by city staff.

No city employee may participate in the selection, award, or administration of a contract which would result in a real or apparent conflict of interest.

3.3 Contracting Limitations

a) Expenditures must have budget capacity or appropriation.
b) Contracting limitations apply to the aggregate cost of individual contracts, whether executed individually or over a series of contracts. Cost is inclusive of sales tax, and any related miscellaneous charges.
c) See Table 1 and Table 2 for contracting amount thresholds and authorities.

Change Orders. Change orders which fall within council approved scope, project budget, and project contingency may be executed by the mayor or the designee approved by council. Change orders which would change the scope of the project and/or exceed the city council approved project budget and council approved project contingency would require additional council action.

In the event of an emergency or the need to take immediate or expeditious action necessary to protect or maintain the public health, safety, or welfare; or to prevent damage to public property, and with approval of the mayor, the city administrator is authorized to enact change orders in excess of the legally authorized expenditure level. The city administrator shall timely report such actions to the city council.

Sustainable Contracting. The City shall contract for goods and services in a manner that complies with all federal, state, city laws, and other requirements. The City shall contract for, and use, materials, products, and services which are fiscally responsible, reduce resource consumption and waste, perform adequately, promote opportunities to lesser-advantaged segments of our community and promote human health and well-being when possible.

Environmental factors to consider in selecting products include:

- Pollutant releases, especially persistent bio-accumulative toxins (PBTs)
- Waste generation
- Greenhouse gas emissions
- Recycled content
- Energy consumption
- Depletion of natural resources, and
- Potential impact on human health and the environment

Social equity factors that should be included, but are not limited to:

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

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

- Lowest total cost
- Leveraging our buying power
- Impact on staff time and labor
- Long-term financial/market changes
- Technological advances in a rapidly changing market

3.4 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)

When the City contemplates applying for federal grants or loans, the City must consider the additional burden the use of federal funds will have on a project. This burden typically requires the City to meet statutes to only buy products made in the United States of America and to have federally certified City staff or hire a consultant that performs these duties in lieu of City staff. These additional burdens often cost the City 20% or more of the non-federally funded price. Therefore, the City should apply for federal funds on a limited basis and only when City staff can support the federal processes.

For contracts that involve federal funding, the City will follow the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance) published in Title 2 of the Code of Federal Regulations (2 CFR 200). All grants are different. Whether funding is city, state, or federal, the City is required to follow the most restrictive regulations.

The City will continue to enter into inter-entity agreements to realize cost savings for shared goods and services when possible.

Internal Controls. The City will maintain effective internal control over federal awards that reduce the risk of fraud and provide for reasonable assurance that federal awards are being managed in compliance with all federal statutes and regulations, and with the terms and conditions of the award.

- Verify and document that contractors are not suspended or debarred from doing business with the federal government.
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive.

Allowable Costs. Federal awards will meet the following general criteria to be allowable except where otherwise authorized by statute:

a) Be necessary and reasonable for the performance of the federal award.

b) Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items.
c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the city.
d) Be accorded consistent treatment. A cost may not be assigned to federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
e) Be determined in accordance with generally accepted accounting principles (GAAP).
f) Not be included as cost or used to meet cost sharing or matching requirements of any other federally financed program in either current or prior period.
g) Be adequately documented.

Certs and Assurances. For federally funded contracts, to assure that expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreement must include a certification, signed by an official who is authorized to legally bind the City of Gig Harbor, which reads as follows:

> “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (US Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)”

Single Audit Act. The City of Gig Harbor, as a recipient of federal funds, shall adhere to the federal regulations outlined in 2 CFR 200.501 as well as all applicable federal and state statutes and regulations.

Closure. A project agreement end date will be established in accordance with 2 CFR 200.309. Any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

3.5 Declaring an Emergency

Emergency contracting occur when an emergency situation arises that was unforeseen and must be remedied immediately. In the event of an emergency, the city council designates the city administrator to act with regard to the subject matter of these procedures, and the city administrator may declare an emergency situation exists, waive competitive bidding requirements and award all necessary contracts on behalf of the City to address the emergency situation. If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the city council in a resolution no later than three weeks following the award of the contract.

4.0 Contracting for Professional Services

Table 1. Professional Services Contracting Requirements and Authorizations

Type of Services	Process	Other Requirements	Authorization
Architectural, Land Surveying, and Engineering Services	Request for Qualifications or MRSC Roster	Publication of RFQ Must evaluate on performance and qualifications only Negotiate contract after selection	Must be budgeted Executed by department director or designee if $15,000 or less. Under $150,000: Executed by mayor or city administrator $150,000 and above: Authorized by city council
All other services	No state law required process	Professional Services contract required	Must be budgeted Executed by department director or designee if $15,000 or less. Under $150,000: Executed by mayor or city administrator $150,000 and above: Authorized by city council

4.1 Consultants Roster for Professional Services

Professional services, also known as consulting services, are those services involving specialized skill, education, and special knowledge. These services include, but are not limited to, architectural, engineering, design services, accounting, art, bond brokerage, insurance brokerage, legal, real estate appraisal, relocation assistance, title abstracts, surveying, soils analysis, and core testing. Procurement of professional and personal services will be in accordance with chapter 39.80 RCW and chapter 39.29 RCW. The City may utilize MRSC Rosters for selection of consultant services.

The mayor, city administrator, and department directors are authorized to extend the duration of professional service contracts where no additional expenditure is required for contract completion.

MSRC Consulting Services Roster Publication. At least once a year, on behalf of the City, MRSC will publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the consulting services roster or rosters and solicit statements of qualifications from firms providing consulting services. Such advertisements will include information confirming that the City is a member of the MRSC Rosters Program. Firms or persons providing consulting services should contact MRSC Rosters directly via MRSC Roster's website to apply to join MRSC Rosters. The City may require master contracts to be signed that become effective when a specific award is made using a consulting services roster.

Architectural, Engineering, and Design Services. State statutes require advance notice of the requirement for architectural, engineering and design services, evaluation of firms' qualifications and performance, and negotiation with firms in accordance with adjudged qualifications. As such, the MRSC Rosters will distinguish between professional architectural and engineering services as defined in RCW 39.80.020 and other consulting services and will announce generally to the public the City's projected requirements for any category or type of professional or other consulting services. The City reserves the right to publish an announcement on each occasion when professional services are required and to use paper and/or other electronic rosters that may be kept on file by appropriate City departments. Other requirements to meet federal grants may be imposed as required by each grant.

All Other Services. A competitive process is not required for professional or personal services, other than architectural, engineering, and design services. Contracting for professional services requires completion of a city professional services contract that describes services to be performed and negotiated price. Prior experience with the City of Gig Harbor, time frame for completing projects, and the value of a negotiated agreement will be considered when consideration and awarding a consultant/firm to perform professional services, as defined in this section. Professional and technical services include disciplines such as attorneys, computer programmers, financial analysts, bond counsels, artists, planners, and real estate appraisers.

4.2 Request for Proposals (RFP)

A Request for Proposal (RFP) is a method of soliciting competitive proposals for a defined scope of work. The proposals would normally include factors to measure qualifications, delivery, and service reputation as well as price.

Simply put, an RFP is a formal invitation from the City of Gig Harbor to a company to submit an offer. The offer is to provide a solution (or proposal) to the need identified by the City. An RFP is a solicitation process whereby the judgment of the supplier's experience, qualifications, and solution may take precedence over their cost proposal.

Elements of an RFP:

1. Project Background and Scope of Work/Services
2. Definitions
3. Minimum Qualifications
4. Technical Requirements (if any)
5. Schedule
6. Cost Proposal
7. Submittal Requirements
8. Evaluation Process and Criteria
9. Insurance Requirements
10. Funding Sources (if applicable)

4.3 Request for Qualifications (RFQ)

A Request for Qualifications (RFQ) is a method of soliciting competitive proposals that considers and evaluates vendors on the basis of demonstrated competency and qualification rather than price. This process is typically used for A & E services where price is not a consideration. An RFQ will generally result in negotiations.

Elements of an RFQ:

1. Project Background and Scope of Services
2. Project Budget and Source of Funding
3. Schedule
4. Minimum Qualifications
5. Submittal Requirements
6. Selection Process / Evaluation Criteria

5.0 Contracting for Public Works

Table 2. Small Public Works and Public Works Contracting Requirements and Authorizations

Type of Purchase	Process	Other Requirements	Authorization
Public Works - Projects costing over the threshold for Small Public Works	Formal competitive bid process	Prevailing wage Insurance Contract Performance & Payment Bond Bid bond/deposit Retainage	Must be budgeted Authorized by city council
Small Public Works – Projects within the cost limits allowed by state law	Invite quotes from all on MRSC Small Works Roster category	Prevailing wage Insurance Contract	Must be budgeted Executed by department director or

		Performance & Payment Bond Retainage may be reduced or waived	designee if $15,000 or less. Under $150,000: Executed by mayor or city administrator $150,000 and above: Authorized by city council
Small Public Works – Projects costing between $15,000 - $100,000	Invite quotes from all on MRSC Small Works Roster category Or Contract through direct negotiation with equitable distribution	Prevailing wage Insurance Contract Performance & Payment Bond (optional) Allow 10% retainage in lieu of bonds	Must be budgeted Executed by department director or designee if $15,000 or less. Under $150,000: Executed by mayor or city administrator $150,000 and above: Authorized by city council
Public Works – Projects costing between $2,500 - $35,000	Invite quotes from all on MRSC Small Works Roster category	Prevailing wage Insurance Contract Performance & Payment Bond (optional) Allow 10% retainage in lieu of bonds	Must be budgeted Executed by mayor or city administrator
Public Works – Projects costing less than $2,500	Solicit quotes	Prevailing wage No contract required	Must be budgeted Executed by department director or designee
Projects with costs less than $75,500 for single trade, or $150,000 for multiple trades	Day labor may be used for single or multiple crafts Current employees allowed to perform work under $300,000, in value if doing so is accepted industry practice under prudent utility management	Prevailing wage	Must be budgeted Executed by mayor or city administrator

5.1 Formal Competitive Bids

The City of Gig Harbor may construct any public work by contract or day labor without calling for bids when the estimated cost of the work or improvement, including cost of materials, supplies and equipment will not exceed the limits set for in Table 2 above. Whenever the cost of the public work or improvement is anticipated to exceed these figures, the project shall be done by contract, provided the City may let contracts using the small works roster process.

The preparation of plans and/or specifications and an estimate of project cost shall be authorized by the mayor or designee for projects up to $35,000 and by the city council for larger projects.

Sealed bids are required whenever the estimated cost of a public works project exceeds the threshold identified in Table 2 above. The following shall apply for public work contracts, except as otherwise noted:

- To ensure consistency and fair process, the City will use standard forms, documents, contracts, and terms and conditions, when practical. The City may use an evaluation selection committee to promote an open, proper selection.

- Minimum qualifications and/or specifications are stated to ensure bids address the needs of the City. Minimum qualifications cannot be used to eliminate qualified contractors and vendors. Minimum qualifications should be tested against the marketplace to ensure they aren't overly restrictive.

- When practical for public works contracts, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms. Interested companies should be encouraged to attend.

- While selection of a winning offer is based primarily on the lowest responsive bid, quality and expertise may be a consideration to the extent legally permissible.

Cost Estimates. The total construction cost of each project must be estimated in order to correctly apply bid limit dollar amounts to determine if a public works project must be competitively bid. This estimate may be prepared by an outside third party, however the final cost estimate must be validated by the City. The total construction cost (estimated as if the project were to be bid) is used to make that determination. The estimate shall include materials, supplies, equipment, and labor on the construction of that project and applicable sales and use taxes. However, the value of volunteer labor, material, or equipment need not be included in the cost estimate for a public works project, as these are not a cost to the agency. For any project completed by any means or method other than a contract, such as using city workers, and the estimated cost will exceed $25,000, the City must publish a description of the project and its estimated cost in the official newspaper at least 15 days before beginning work as required by RCW 39.04.020.

Rule 171 – Sales Tax Exemptions. Normally sales tax applies to every sale of tangible personal property (and some services) to all persons, including cities. Thus, for bid limit purposes, the tax must be included when determining the cost of a public work, or when calculating the cost of materials, supplies, and equipment purchases separately from a public work.

However, there are some sales and use tax exemptions for certain public work projects. The exemptions include:

1. Labor and services rendered for the building, repairing, or improving of any street, place, road, highway, easement, right-of-way, mass public transportation terminal or parking facility, bridge, tunnel, or trestle own by a city or town which is used primarily for pedestrian or vehicle traffic (RCW82.04.050(10).

2. Labor and services for the processing and handling of sand, gravel, and rock taken from city pits and quarries when the materials are for publicly owned road projects.

Breaking Down or Bid-Splitting. The breaking of any project into units or phases for the purpose of avoiding the maximum dollar amount of a contract is prohibited. that may be let using the small works roster process.

Bid Process.

1. **Define the Need**. Requesting department director shall determine the type of procurement and evaluate budget capacity.
2. **Request Authorization.** Depending on the project type and estimated cost, requesting department directors must request authorization from the City Administrator to call for bids.
3. **Publication of Notice**. After proper authorization, the requesting department director (or designee) will publish the Call for Bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the City web page, at least 13 days prior to bid submittal deadline.
4. **Notice Contents for Public Works Contracts**. Notice or advertisements for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice must include:
   a. Project title
   b. Nature and scope of work
   c. Where contract documents (plans and specifications) can be reviewed or obtained
   d. Cost to obtain a set of contract documents
   e. Place, date, and time that bids are due
   f. Place, date, and time that bids will be opened

g. Statement that a bid bond must accompany the bid
h. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bids and/or bidding process
i. Statement that the contract involves “public work” and that workers shall receive the prevailing rate of wage pursuant to the Prevailing Wages on Public Works Act (RCW 39.12)
j. List of the applicable prevailing wage rates or prevailing wage statement
k. Statement that the City is an equal opportunity employer and invites responsive bids from all qualified responsible bidders
l. The materials and equipment to be furnished, if any.

Bid Opening. Bids are submitted to the responsible department director or designee, where they are time and date stamped and processed. The bids shall be opened at the time and place specified in the advertisement for bids.

- Report on Bids: The responsible department director or designee will prepare a report and recommendation on all bids received to the decision maker with the authority to approve the contract.

- Bid Award: The City shall award the contract to the lowest responsible bidder or shall have power by council resolution to reject any or all bids and to make further calls for bids in the same manner as the original call.

Determining Lowest Responsible Bidder; Rejection of Bids. The City must award the contract for the public works project to the lowest responsible bidder provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the governing body may call for new bids. In addition, the City must ensure that contracts are awarded to a contractor who meets the mandatory bidder responsibility criteria in RCW 39.04.350(1) and supplementary criteria as follows:

1. The bidder must, at the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW; and
2. The bidder must have a current state unified business identifier number; and
3. If applicable, the bidder must have industrial insurance coverage for the bidder’s employees working in Washington as required by Title 51 RCW, an employment security department number as required in Title 50 RCW and a state excise tax registration number as required in Title 82 RCW; and
4. The bidder must not be disqualified from bidding on any public works contract under RCW 39.06.010 or RCW 39.12.065(3).
5. Any other supplementary bidder criteria under RCW 39.04.350(2) established by the City.

5.2 Emergency Public Works Contracting

As provided in RCW 39.04.270 and RCW 39.04.280, competitive bidding requirements may be waived by the city in the event of an emergency provided the following process is followed:

- In the event of an emergency, the Gig Harbor City Council designates the city administrator to act with regard to the subject matter of these procedures, and the administrator may declare an emergency situation exists, waive competitive bidding requirements and award all necessary purchases on behalf of the City to address the emergency situation.
- If an agreement is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the city council in a resolution no later than three weeks following the award of the agreement.

5.3 Public Works Projects and Prevailing Wage Laws

Public works projects including maintenance when performed by contract, are governed by RCW 39.12 Prevailing Wages on Public Works requirements, regardless of contract amount. The Department of Labor and Industries requires that workers be paid prevailing wages when employed on all public works, public building service maintenance and contracted maintenance, based upon the classification of labor performed. It is the responsibility of the contracting employee to notify the vendor of prevailing wage requirements. Per RCW 39.12.030 all bid specifications and contracts shall include a list of the applicable wage rates.

5.4 Certificates of Insurance

If required, contractors must furnish the City with a Certificate of Insurance, naming the City of Gig Harbor as primary and noncontributory additional insureds with an additional attached endorsement. Contact the Finance department to discuss insurance requirements and limits of coverage according to determination of risk. RMSA should review and approve submitted insurance limits of coverage.

5.5 Retainage

According to RCW 60.28.001(1) “Public improvement contracts shall provide, and public bodies shall reserve, a contract retainage not to exceed five percent of the moneys earned as a trust fund for the protection and payment of: (a) the claims of any person arising under the contract; and (b) the state with respect to taxes improved pursuant to Titles 50 (Employment Security Department), Title 51 (Labor and Industries), and Title 82 (Department of Revenue).”

The contractor may select from one of three options for managing retainage:

1. Retainage Bond: In lieu of earned retained funds, the Contractor will provide a Retainage Bond on the City of Gig Harbor's standard Retainage Bond Form from an authorized surety insurer.
2. Savings Account: The City of Gig Harbor will place the retained funds in a separate interest-bearing account.
3. Escrow/Investment: The City of Gig Harbor will place the retained funds in escrow with a bank or trust company in accordance with the City's standard Escrow Agreement form. Any interest earned will be paid to the Contractor.

All Contractors subject to retainage withholding must complete the "Retainage Investment Form". If the escrow option is selected, the Senior Accountant in Finance must be immediately notified for the purpose of executing an Escrow Agreement. As an alternative, a contractor may submit a retainage bond for all of any portion of the contract retainage on the City's standard Retainage Bond form by an authorized surety insurer as described in RCW 60.28.011.

After final acceptance of the project, if retainage is held by the city, it may be released after all release notifications have been received by the Department of Revenue, Department of Labor and Industries, and the Department of Employment Security. Upon receipt of all releases, the contract manager shall notify the Senior Accountant in Finance to release the funds.

5.6 Small Public Works Roster

RCW 39.04 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property. The Small Works Roster maintained by the Municipal Research and Services Center (MRSC) allows the City to evaluate the professional qualifications on file when a proposed project is scheduled. Use of the Small Works Roster allows the City to preclude the advertisement requirements of the formal competitive process.

The following small works roster procedures are established for use by the City pursuant to RCW 39.04.155:

Small Works Cost Thresholds. The City need not comply with formal sealed bidding procedures for the construction, building, renovation, remodeling, alteration, repair, or improvement of real property where the estimated cost does not exceed $350,000, which includes the costs of labor, material, equipment, and sales and/or use taxes as applicable. Instead, the City may use the Small Public Works Roster procedures for public works projects as set forth herein.

Informal, Telephone or Written Quotations

(1) The City must obtain telephone, written or electronic quotations for public works contracts from contractors on the appropriate small works roster to assure that a competitive price is established and must award the contract to the lowest

responsible bidder.

(2) A contract awarded from a small works roster need not be advertised. Invitations for quotations must include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not to be included in the invitation.

(3) Quotations may be invited from all contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equally distribute the opportunity among the contractors on the appropriate roster. “Equitably distribute” means that the City may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

(4) If the estimated cost of the work less than $150,000, the City may contract through direct negotiation with equitable distribution but must notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The City has the sole option of determining whether this notice to the remaining contractors is made by:
   a. Publishing notice in a legal newspaper in general circulation in the area where the work is to be done; or
   b. Mailing a notice to these contractors; or
   c. Sending a notice to these contractors by facsimile or email.

(5) At the time the bids are solicited, the City representative must not inform a contractor of the terms or amount of any other contractor’s bid for the same project.

(6) A written record must be made by the City representative of each contractor’s bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations obtained must be recorded, open to public inspection, and available by telephone inquiry.

Small Works Roster Reporting. Pursuant to RCW 39.04.200, the City must maintain a list of all contracts awarded using the Small Works Roster. This list will be updated at least once every year and be posted on the City’s website. This list will contain the following information:

- Name of successful contractor.
- Contract amount.
- Brief description of the type of work performed.
- Award date.
- Location where bid quotations for contracts are available for public inspection.

6.0 Payment Processing

Original invoices that are received by accounts payable will be date-stamped and routed to department heads upon receipt. Other invoices may be received directly by the department head or other staff, such as when items are picked up at will-call or services are performed on-site. An accounts payable payment voucher with account code is created by Finance Technicians and attached to the invoice for processing. All vouchers must be signed and approved by the appropriate department head. For all invoices, department heads or designees will verify that the invoices items have been received and that the invoiced amount is correct.

The accounts payable original invoices should include the correct account coding and have a required authorized approval signature added. The approval invoice will be routed to accounts payable for payment. Packing slips are routed to accounts payable to be matched with invoices. Once verified and approved, accounts payable processes the check run. There are two accounts payable check cycles scheduled each month, generally the second and fourth Mondays of each month to coincide with council meetings, unless the date falls on a holiday.

The Finance Director or designee audits the bills prior to City Council meetings ensuring the correct coding of bills, authorization approvals, and proper documentation prior to Council approval. The Finance Director or designee approval is required before invoices can be paid.

Approvals. Vendor invoices shall be signed for approval by the department head or designee. Reimbursements payable to City employees shall be signed for approval as follows:

- Council – approved by the Mayor, City Administrator or designee
- Mayor – approved by the City Administrator or designee
- City Administrator – approved by the Mayor or designee
- Department Director – approved by the City Administrator or designee
- Other employees – approved by the direct supervisor or Department Director or designee

Employees may not approve their own reimbursement.

Hand-issued Checks. Departments should avoid requests for hand-issued checks by submitting approved invoices to Accounts Payable as soon as invoices are received. If extenuating circumstances exist, a check may be hand-issued to avoid incurring interest, penalties, and late charges. Submit requests for hand-checks to the Finance Department. Manual checks must be pre-approved by the Finance Director.

City of Gig Harbor

Purchasing
Policy and Procedures

October 1, 2024

Table of Contents

1.0 Purpose of the Policy

The Purchasing Policy and Procedures is intended to guide and assist City of Gig Harbor ("City") staff on basic purchasing, including purchase orders, purchase agreements, services, and vendor procurement requirements as set forth in the Gig Harbor Municipal Code and Washington State statutes. Purchases that include federal funding shall also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published under Title 2 of the Code of Federal Regulations (2 CFR 200).

This policy establishes guidelines and clarifies procedures for purchasing materials, supplies and equipment by the City of Gig Harbor. The procedures set forth herein are designed to ensure the City receives maximum value for each tax and utility dollar expended, assuring fiscal responsibility in the procurement process.

This edition of the Purchasing Policy and Procedures is dated October 1, 2024, and supersedes all purchasing directives. All references to the Revised Code of Washington (RCW) and/or city ordinances shall be incorporated as part of this policy including all future amendments. All references to contracting or Public Work shall refer to the city's Contracting Policy and Procedures.

In cases where these policies conflict with any city ordinance, state or federal law or regulations, the terms of that law or regulation prevails. In all other cases, these policies apply.

2.0 Definitions

For the purpose of these procedures and the interpretation and enforcement thereof, the following words and phrases shall be defined in state and federal law. The definitions outlined below are for reference purposes only.

<u>Public Work</u> (RCW 39.04.010)

"Public Work" means all work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the state or any municipality, or which is by law a lien or charge on any property therein. All public works, including maintenance when performed by contract shall comply with chapter 39.12 RCW.

<u>Emergency</u> (RCW 39.04.280)

"Emergency" means unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

MRSC

The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their citizens by providing legal and policy guidance on any topic. MRSC can be accessed by phone (800-933-6772), mail (2601 4th Avenue, Suite 800, Seattle WA 98121), or internet (www.mrsc.org).

3.0 General Provisions

3.1 Authorizations / Certifications

Only authorized employees acting within the scope of their authority may obligate the City of Gig Harbor in the acquisition of goods and services. Any employee purchasing goods on behalf of the City without proper authorization may be personally liable to the vendor and/or the City and subject to disciplinary action.

3.2 Code of Ethics / Conflicts of Interest

The public must have confidence in the integrity of its government. The purpose of this code of ethics is to apply and give guidance to all employees and elected officials so that they may conduct themselves in a manner which will be compatible with the best interests of themselves and the City of Gig Harbor.

Proper operation of the City's purchasing program requires observation of the following ethical standards:

- Actions of city employees will be impartial and fair.
- Government decisions and policies be made in the proper channels of government structure.
- Public employment must not be used for personal gain.
- The City of Gig Harbor will not accept donations of materials or services in return for a commitment to continue to initiate a purchasing relationship.
- City employees may neither solicit, accept, nor agree to accept any gratuity for themselves, their families or other that results in their personal gain which may affect their impartiality in making decisions on the job.

The following are examples of items not considered gratuities:

- Discounts or concessions realistically available to the general population.
- Items received that do not result in personal gain.
- Samples used for general use by city staff are also examples of items that are not gratuities.

No city employee may participate in the selection or award of a purchase which would result in a real or apparent conflict of interest.

3.3 Purchasing Limitations

a) Expenditures must have budget capacity or appropriation.
b) Purchase limitations apply to the aggregate cost of individual items, whether purchased in one order or over a series of orders. Cost is inclusive of sales tax, use tax, delivery charges, and any related miscellaneous charges.
c) See Table 1 for purchasing amount thresholds and authorities.

Sustainable Purchasing. The City of Gig Harbor shall acquire its goods and services in a manner that complies with all federal, state, city laws, and other requirements. The City shall purchase and use materials, products, and services which are fiscally responsible, reduce resource consumption and waste, perform adequately, promote opportunities to lesser-advantaged segments of our community and promote human health and well-being when possible.

Environmental factors to consider in selecting products include:

- Pollutant releases, especially persistent bio-accumulative toxins (PBTs)
- Waste generation
- Greenhouse gas emissions
- Recycled content
- Energy consumption
- Depletion of natural resources, and
- Potential impact on human health and the environment

Social equity factors that should be included, but are not limited to:

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

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

- Lowest total cost
- Leveraging our buying power
- Impact on staff time and labor
- Long-term financial/market changes
- Technological advances in a rapidly changing market

3.4 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200)

For procurement of goods and services that involve federal funding, the City of Gig Harbor will follow the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance) published in Title 2 of the Code of Federal Regulations (2 CFR 200) specifically 2 CFR 200.318 through 200.326. All grants are different. Whether funding is city, state, or federal, the City is required to follow the most restrictive regulations.

The City will monitor procurements to avoid duplicative purchases and exhaust all mandated sources before soliciting new sources. The City will also continue to enter into inter-entity agreements to realize cost savings for shared goods and services when possible.

Internal Controls. The City will maintain effective internal control over federal awards that reduce the risk of fraud and provide for reasonable assurance that federal awards are being managed in compliance with all federal statutes and regulations, and with the terms and conditions of the award.

- Verify and document that vendors are not suspended or debarred from doing business with the federal government.
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information and other information the federal awarding agency or pass-through entity designates as sensitive.

Allowable Costs. Federal awards will meet the following general criteria to be allowable except where otherwise authorized by statute:

a) Be necessary and reasonable for the performance of the federal award.
b) Conform to any limitations or exclusions set forth in these principles or in the federal award as to types or amount of cost items.
c) Be consistent with policies and procedures that apply uniformly to both federally financed and other activities of the city.
d) Be accorded consistent treatment. A cost may not be assigned to federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.
e) Be determined in accordance with generally accepted accounting principles (GAAP).
f) Not be included as cost or used to meet cost sharing or matching requirements of any other federally financed program in either current or prior period.
g) Be adequately documented.

Certifications and Assurances. For federally funded purchases, to assure that expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreement must include a certification, signed by an official who is authorized to legally bind the City of Gig Harbor, which reads as follows:

> “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and

cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (US Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812.)"

Single Audit Act. The City of Gig Harbor, as a recipient of federal funds, shall adhere to the federal regulations outlined in 2 CFR 200.501 as well as all applicable federal and state statutes and regulations.

Closure. A project agreement end date will be established in accordance with 2 CFR 200.309. Any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

3.5 Declaring an Emergency

Emergency purchases occur when an emergency situation arises that was unforeseen and must be remedied immediately. In the event of an emergency, the city council designates the city administrator to act with regard to the subject matter of these procedures, and he or she may declare an emergency situation exists, waive competitive bidding requirements and award all necessary purchases on behalf of the City to address the emergency situation. If a purchase is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the city council in a resolution no later than three weeks following the award of the purchase.

4.0 Purchasing Materials, Supplies and Equipment

Table 1: Purchasing Processes and Authorizations

Type of Purchase	Process	Other Requirements	Authorization
Items costing under $1,000	No formal process required		Must be budgeted Executed by department director or designee
Items costing $1,000-$7,500	Informal quotes; formal competitive bid process; Interlocal Cooperative Purchase Agreements; or MRSC vendor roster	Contact at least three vendors for written quotes if using informal quotes or MRSC roster	Must be budgeted Executed by department director or designee
Items costing $7,500-$15,000	Must use formal competitive bid process, Interlocal Cooperative Purchase Agreements, or MRSC vendor roster	Contact at least three vendors for written quotes if using MRSC roster	Must be budgeted Executed by department director or designee
Items costing $15,000 and above	Must use formal competitive bid process, or Interlocal Cooperative Purchase Agreements		Must be budgeted Under $100,000: Executed by city administrator or mayor $100,000 and above: Authorized by city council

4.1 MRSC Vendor Roster

As provided by Washington law and a contract between the City of Gig Harbor and Municipal Research and Services Center ("MRSC"), the City may use the MRSC vendor roster for the purchase of materials, supplies or equipment within the estimated purchase amount set forth in Table 1. In addition, paper and/or electronic rosters may be kept on file by appropriate City departments. Nothing in these procedures prevents the City from advertising for any vendors without use of the MRSC roster. At least once a year, on behalf of the City, MRSC will publish in a newspaper of general circulation within the general jurisdiction a notice of the existence of a vendor roster. Responsible businesses will be added to appropriate MRSC Roster(s) any time they submit a written request and necessary records.

Informal, Telephone and Written Quotes. This process consists of the City of Gig Harbor observing the following process to obtain telephone or written quotes from vendors for the purchase of materials, supplies or equipment within the estimated purchase amount set forth in Table 1.

- A written description will be drafted of the specific materials, supplies, and equipment to be purchased, including the number, quality, quantity and type desired, the proposed delivery date, and any other significant terms of purchase; and
- A city representative will make a good faith effort to contact at least three of the vendors on the roster established above, provide the written description, and obtain quotes from the vendors on the required materials, equipment or supplies; and
- At the time such quotes are solicited, the city representative will not inform a vendor of any other vendor's quote on the materials, supplies or equipment; and
- A written record will be made by the city representative of each vendor's quote on the materials, supplies, and equipment purchased, and of any conditions imposed on each vendor; and
- All of the quotes will be collected and presented for consideration and determination of the lowest responsible bidder and award of the purchase.

Sales Tax, Shipping and Freight. Sales and use tax must be included when determining the cost of purchased materials, supplies and equipment. When purchasing items that will incur freight charges, the City shall request the items be shipped Free on Board (FOB) Destination, with the freight prepaid.

4.2 Interlocal Cooperative Purchasing Agreements

The City of Gig Harbor may enter into Interlocal Agreements with other public agencies similarly authorized under RCW 3.34.030. This includes units of local government outside Washington State. State law in regard to competitive bidding shall govern any cooperative purchasing agreement. The competitive bid process of the original jurisdiction may substitute for the City's if consistent with the bidding laws that apply to the City of Gig Harbor. The other government's bid process must have been conducted within the previous 24-month period to be valid for use by the City.

In addition, "piggybacking" on other jurisdiction bids requires an Interlocal Agreement, therefore the City must conduct a screening process whereby it can justify the purchase through an Interlocal Agreement. The screening process and results must be clearly documented in writing. All interlocal cooperative purchasing agreements shall be presented to council for approval.

4.3 Formal Competitive Bids

Sealed bids are required per Table 1. The following shall apply when formal bidding is required for the purchase of materials, supplies, or equipment, except as otherwise noted:

- To ensure consistency and fair process, the City will use standard forms, documents, and terms and conditions, when practical. The City may use an evaluation selection committee to promote an open, proper selection.
- Minimum qualifications and/or specifications are stated to ensure bids address the needs of the city. Minimum qualifications cannot be used to eliminate qualified manufacturers and vendors. Minimum qualifications should be tested against the marketplace to ensure they aren't overly restrictive.
- While selection of a winning offer is based primarily on lowest responsive bid, quality and expertise may be a consideration to the extent legally permissible.

Bid Process.

1. **Define the Need**. Requesting department director shall determine the type of purchase based on type of activity and cost estimates.

2. **Request Authorization.** Depending on the project type and estimated cost, requesting department directors must request authorization from the city administrator to call for bids.

3. **Publication of Notice**. After proper authorization, the requesting department director (or designee) will publish the call for bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the city web page, at least 13 days prior to bid submittal deadline.

4. **Notice Contents for Purchases of Materials, Supplies or Equipment.** Notice or advertisement for bids should contain specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice must include:
   a) Name and description of requested items
   b) Place, date, and time that bids are due
   c) Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process
   d) Place, date, and time that bids will be opened

Determining Lowest Responsible Bidder. The City of Gig Harbor shall purchase the materials, supplies or equipment from the lowest responsible bidder, provided that whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the City may call for new bids or enter into direct negotiations to achieve the best possible price.

The following factors, in addition to price, may be taken into account in determining the lowest responsible bidder:

- Any preferences provided by law to Washington products and vendors
- The quality of the materials, supplies, and equipment to be purchased
- The conformity of the materials, supplies, and equipment to required specifications
- The purposes for which the materials, supplies, and equipment are required
- The times for delivery of the materials, supplies, and equipment
- The character, integrity, reputation, judgment, experience, and efficiency of the bidder
- Such other information as may have a bearing on the decision to purchase the materials, supplies or equipment

Life Cycling Costing. In considering bids for purchase, whenever there is reason to believe that applying the “life cycle costing” method to bid evaluation would result in the lowest total costs, first consideration will be given to the bid with the lowest life cycle cost which complies with the specifications.

“Life cycle cost” means the total cost of an item over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life. The “estimated useful life” of an item means the estimated time from the date of the acquisition to the date of replacement or disposal, determined in any reasonable manner.

Written Record of Purchase. Immediately after a purchase is authorized, the written record of each bid or quote must be open to public inspection and available to the public by telephone or other inquiry.

4.4 Exemptions to Competitive Bidding Requirements

As provided in both RCW 39.04.270 and RCW 39.04.280, competitive bidding requirements may be waived by city council for the following:

- Purchases that are clearly and legitimately limited to a sole source of supply.
- Purchases in the event of an emergency.
- Purchases of insurance or bonds.
- Purchases that involve special facilities or market conditions.
- Competitive negotiations involving telecommunications systems/services.

Sole Source. On a case by case basis, the bid or quote requirement may be waived and a sole/single source purchase approved, in accordance with RCW 39.04.280.

Purchases deemed to be "sole source" are characterized as meeting one or more of the following standards: (a) the city department has conducted a screening process whereby it can justify purchase of a specific product; (b) the city requires legitimate specifications to which only one vendor can successfully respond; or (c) the product is available only through one manufacturer (or distributor) and the manufacturer so certifies. In any such case where the purchase exceeds $5,000, the vendor shall certify that the City is getting the lowest price it offers anyone. Purchases in excess of $5,000 from a sole source vendor require a statement attesting to the legitimacy of sole source and signed by the requesting Department Director with prior approval of the City Administrator.

Emergency. In the event of an emergency, the Gig Harbor City Council designates the city administrator to act with regard to the subject matter of these procedures, and he or she may declare an emergency situation exists, waive competitive bidding requirements and award all necessary purchases on behalf of the City to address the emergency situation. If an agreement is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the city council in a resolution no later than three weeks following the award of the agreement.

Special Facilities or Market Conditions. RCW 39.04.280(1)(b) authorizes the Gig Harbor City Council by resolution to waive established bidding requirements if an exceptional opportunity arises to purchase favorably priced equipment or supplies or used goods that will be sold before the City can conduct the bid process. The resolution must set forth the factual basis for the special market conditions.

Auctions. RCW 39.30.045 authorizes the City to acquire supplies, materials and equipment through an auction conducted by an agency of the State of Washington, an agency of the United States, any municipality or other government agency, or any private party if the items can be obtained at a competitive price.

Surplus Property. RCW 39.33.010 states the City may acquire surplus property from another government without the use of competitive bids or quotes, when it is possible to procure obvious bargains through the procurement of surplus or distress material, supplies, or equipment.

Competitive Negotiations – Telecommunication Systems / Services. Competitive negotiation can be used as an alternative to the competitive bid procedures for the acquisition of electronic data processing and telecommunications systems; energy saving or energy related equipment or services; or when it is determined in writing that the use of competitive bidding is neither practical nor advantageous to the City.

Eligible purchases (RCW 39.35A.030) are those for "equipment, materials, or supplies that are expected upon installation, to reduce the energy use or energy cost of an existing building or facility, and the services associated with the equipment, materials or supplies, including but not limited to design, engineering, financing, installation, project management, guarantees, operations, and maintenance." Pursuant to RCW 39.35A.020(1), the procurement may be structured on a performance basis, rather than a design specification, so that the city may specify a result, rather than the type or model of equipment (RCW 39.35A.020(3)).

The City of Gig Harbor will provide procedures for technical evaluation of the proposals received, identification of qualified sources, and selection criteria for awarding the purchase or service.

The City may select the qualified vendor whose proposal is most advantageous, with price and other factors considered. If the City of Gig Harbor is unable to negotiate a purchase successfully, the City may terminate negotiations and proceed to negotiate with the second most advantageous proposer, and so on.

4.5 Leases of Personal or Real Property

A lease of personal (or real) property with an option to purchase may require competitive bids, depending on the type of property involved and its cost. The cost is the total value of the item to be leased, not the yearly payment. A lease of property without an option to purchase does not require a call for bids.

5.0 Payment Processing

5.1 Accounts Payable

Original invoices that are received by accounts payable will be date-stamped and routed to department heads upon receipt. Other invoices may be received directly by the department head or other staff, such as when items are picked up at will-call or services are performed on-site. An accounts payable payment voucher with account code is created by Finance Technicians and attached to the invoice for processing. All vouchers must be signed and approved by the appropriate department head. For all invoices, department heads or designees will verify that the invoices items have been received and that the invoiced amount is correct.

The accounts payable original invoices should include the correct account coding and have a required authorized approval signature added. The approval invoice will be routed to accounts payable for payment. Packing slips are routed to accounts payable to be matched with invoices. Once verified and approved, accounts payable processes the check run. There are two accounts payable check cycles scheduled each month, generally the second and fourth Mondays of each month to coincide with council meetings, unless the date falls on a holiday.

The Finance Director or designee audits the bills prior to City Council meetings ensuring the correct coding of bills, authorization approvals, and proper documentation prior to Council approval. The Finance Director or designee approval is required before invoices can be paid.

Approvals. Vendor invoices shall be signed for approval by the department head or designee. Reimbursements payable to City employees shall be signed for approval as follows:

- Council – approved by the Mayor, City Administrator or designee
- Mayor – approved by the City Administrator or designee
- City Administrator – approved by the Mayor or designee
- Department Director – approved by the City Administrator or designee
- Other employees – approved by the direct supervisor or Department Director or designee

Employees may not approve their own reimbursement.

Hand-issued Checks. Departments should avoid requests for hand-issued checks by submitting approved invoices to Accounts Payable as soon as invoices are received. If extenuating circumstances exist, a check may be hand-issued to avoid incurring interest, penalties, and late charges. Submit requests for hand-checks to the Finance Department. Manual checks must be pre-approved by the Finance Director.

Petty Cash. Petty cash funds cover minor disbursements. Petty cash is reimbursed through the accounts payable process in accordance with the city's policy on petty cash.

5.2 Purchasing Cards

Bank credit cards may be issued with the approval of the city administrator. They are to be used solely for City-authorized business purposes. The Finance department maintains the accounts and is authorized to make necessary changes and updates, corresponds with the bank to resolve issues, order purchasing cards, reconciles purchases made during the billing cycle to the bank statement, verifies accuracy of supporting documents and signatures, maintains records, and assures timely payment.

Credit limits and other controls are established by the Finance department when the cards are authorized and are determined according to the position requesting the card. Department directors may request a change of credit limits and cancel or suspend a card when needed. cards will be issued to employees after the employee has received a copy of the City's Purchasing Policy and Procedures and has signed a Credit/Purchasing Card Agreement form.

As authorized, employees will use their card at time of purchase for goods, maintenance, services, and construction as allowed by the vendor. The employee should not exceed the credit limit on their card. Employees should contact accounts payable if the limit needs to be temporarily adjusted to make purchases. Employees will approve their charges and submit the proper supporting documents to their department director within 5 days of making a purchase. The documents must be turned in or made accessible prior to any absences (i.e. vacations, personal leave or sick leave). If there is a disputed charge, the employee should immediately notify the merchant. If unable to get satisfaction from the merchant, contact accounts payable to dispute the amount with the bank.

Department directors or designee will ensure employees approve their charges and submit the proper supporting documents immediately after each purchase or by the 15th of each month. Department directors will verify the accuracy of charges and approve supporting documentation, assign correct fund numbers, and descriptive information for each charge, and submit paperwork to accounts payable.

Unauthorized usage examples:

- Personal charges
- Cash advances
- Unauthorized purchases
- Alcohol

Proper supporting documentation:

- Itemized receipts;
- Itemized invoices;
- Detailed online order confirmations;
- Training request forms.

Employees who are frequently late submitting or missing supporting documentation will lose their card privileges for an amount of time determined by the Finance department. Improper use of the card may result in disciplinary action up to and including termination of employment.

The employee should safeguard their card and account numbers against loss, theft, and unauthorized use. The card should be kept locked in a secure location when not in use. In the event of a lost or stolen card, employees should immediately notify the bank and inform accounts payable. Failure to notify the bank may result in the City's responsibility for payment.

RESOLUTION NO. 1066

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GIG HARBOR, WASHINGTON, AMENDING THE CITY'S PURCHASING AND CONTRACT PROCUREMENT PROCEDURES AND REPEALING RESOLUTIONS 593 AND 884.

WHEREAS, state law authorizes each public agency the authority to establish certain purchasing and contracting procedures by way of resolution; and

WHEREAS, on July 22, 2002, the City passed Resolution No. 593, which establishes a process consistent with Washington law for the City Council to consider all purchases of materials, supplies, and equipment; and

WHEREAS, on November 28, 2011, the City passed Resolution No. 884, which establishes the City Council's procurement and purchasing procedures consistent with Washington law for consultant selection, the small works roster, the limited public works process, and cooperative purchasing agencies; and

WHEREAS, consolidation of the current separate resolutions will clarify the purchasing and contracting procedures and thus provide more effective procedures; and

WHEREAS, staff recommends recognition of an existing vendor list available through the Municipal Research Services Center as a formal method of purchasing; and

WHEREAS, the process to approve all purchases and procurement of contracts typically includes review and recommendation by staff, drafting a council bill by staff, and review of the council bill by the department director, City Attorney, Finance Director, City Administrator, and Mayor, after which point the item is placed on the City Council's agenda for an upcoming council meeting; and

WHEREAS, this process to approve all purchases and procurement of contracts can require an additional three weeks to six weeks from the time of recommendation by staff; and

WHEREAS, department directors and City Administration are recommending new purchasing and procurement procedures to allow department directors, the City Administrator, or the Mayor to approve certain purchases and contracts that are limited to certain dollar thresholds where the purchases and contracts are identified in the current budget and do not exceed the amount identified in the current budget; and

WHEREAS, this resolution will provide the City with efficiencies while remaining in compliance with state law and within the limits of the City's adopted budget; and

WHEREAS, these procedures are not intended to address contracting procedures related to Public Works contracts greater than $300,000;

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

Section 1. Scope. All employees must follow these procedures for purchasing materials, supplies, and equipment and contract procurement. Adherence to these procedures will ensure that public purchases and contracts are open, fair, and at the best value to the public. These procedures are divided into three major areas:

1.1 Purchasing materials, supplies, or equipment.

1.2 Contract procurement for small public works contracts, and limited public works contracts. Public works contracting beyond these shall follow the procedures set forth in Title 39 RCW.

1.3 Contract procurement for professional services.

Section 2. Definitions. For the purpose of these procedures and the interpretation and enforcement thereof, the following words and phrases shall be defined in state and federal law. The definitions outlined below are for reference purposes only.

2.1 Public Work: All work, construction, alteration, repair or improvement that is executed at the cost of the state or any public agency. This includes, but is not limited to, demolition, remodeling, renovation, road construction, building construction, ferry construction, and utilities construction. This also includes maintenance when performed by contract. See also RCW 39.04.010.

2.2 Prevailing Wage: The rate of hourly wage, usual benefits, and overtime, paid in the largest city in the county where the physical work is being performed to the majority of workers, laborers, and mechanics in the same trade or occupation. Prevailing wages are established, by the Department of Labor and Industries. See also RCW 39.12.010.

2.3 Emergency: Any unforeseen circumstance beyond the control of the City that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury or loss of life if immediate action is not taken.

2.4 MRSC: The Municipal Research and Services Center (MRSC) is a nonprofit organization that helps local governments across Washington State better serve their citizens by providing legal and policy guidance on any topic. MRSC can be accessed by phone (800-933-6772), mail (2601 4th Avenue, Suite 800, Seattle WA 98121), or internet (www.mrsc.org).

Section 3. Purchasing Procedures.

3.1 Cost Thresholds and Purchasing Authority. The City Council hereby adopts the purchase thresholds, purchasing process alternatives and purchasing authorizations set forth in Table 1, attached hereto and incorporated herein PROVIDED the purchase is identified in the current City budget AND the purchase does not exceed the amount identified in the current City budget. All other purchases must be presented to the City Council for award and authorization.

3.2 MRSC Vendor Roster. As provided by Washington law and a contract between the City and Municipal Research and Services Center ("MRSC"), the City may use the MRSC vendor roster for the purchase of materials, supplies or equipment within the estimated purchase amount set forth in Table 1. In addition, paper and/or electronic rosters may be kept on file by appropriate City departments. Nothing in these procedures prevents the City from advertising for any vendors without use of the MRSC roster. At least once a year, on behalf of the City, MRSC will publish in a newspaper of general circulation within the general jurisdiction a notice of the existence of a vendor roster. Responsible businesses will be added to appropriate MRSC Roster(s) any time they submit a written request and necessary records.

3.3 Written quotes. This process consists of the City observing the following process to obtain telephone or written quotes from vendors for the purchase of materials, supplies or equipment within the estimated purchase amount set forth in Table 1.

(1) A written description will be drafted of the specific materials, supplies, and equipment to be purchased, including the number, quality, quantity and type desired, the proposed delivery date, and any other significant terms of purchase;
(2) A City representative will make a good faith effort to contact at least three of the vendors on the roster established above, provide the written description, and obtain quotes from the vendors on the required materials, equipment or supplies;
(3) At the time such quotes are solicited, the City representative will not inform a vendor of any other vendor's quote on the materials, supplies or equipment;
(4) A written record will be made by the City representative of each vendor's quote on the materials, supplies, and equipment purchased, and of any conditions imposed on the each vendor; and
(5) All of the quotes will be collected and presented for consideration and determination of the lowest responsible bidder and award of the purchase.

3.4 Determining lowest responsible bidder. The City shall purchase the materials, supplies or equipment from the lowest responsible bidder, provided that whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the City may call for new bids or enter into direct negotiations to achieve the best possible price. The following factors, in addition to price, may be taken into account by the City in determining the lowest responsible bidder:

(1) Any preferences provided by law to Washington products and vendors.
(2) The quality of the materials, supplies and equipment to be purchased.

(3) The conformity of the materials, supplies and equipment to the City's specifications.
(4) The purposes for which the materials, supplies and equipment are required.
(5) The times for delivery of the materials, supplies and equipment.
(6) The character, integrity, reputation, judgment, experience and efficiency of the bidder.
(7) Such other information as may have a bearing on the decision to purchase the materials, supplies or equipment.

3.5 Life cycling costing. In considering bids for purchase, whenever there is reason to believe that applying the "life cycle costing" method to bid evaluation would result in the lowest total costs to the City, first consideration will be given to the bid with the lowest life cycle cost which complies with the specifications. "Life cycle cost" means the total cost of an item to the City over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal, as far as these costs can reasonably be determined, minus the salvage value at the end of its estimated useful life. The "estimated useful life" of an item means the estimated time from the date of the acquisition to the date of replacement or disposal, determined in any reasonable manner.

3.6 Interlocal Cooperative Purchasing Agreements. Pursuant to chapter 39.34 RCW, bidding is not required when purchases of materials, supplies, or equipment are made under State standard contracts or similar contracts executed by and through other local governments which have complied with state bidding requirements. This includes units of local government outside Washington State. The other government's bid process must have been conducted within the previous 24-month period to be valid for use by the City of Gig Harbor. In addition, the City must conduct a screening process whereby it can justify the purchase through an Interlocal Agreement. The screening process and results must be clearly documented in writing.

3.7 Written record of purchase. Immediately after a purchase is authorized, the written record of each bid or quote must be open to public inspection and available to the public by telephone or other inquiry.

3.8 Posting. A list of all purchases valued at more than $7,500 but less than $15,000 must be posted on the City's website, at least once every two months. The list must contain the name of the vendor awarded the purchase, the amount of the purchase, a brief description of the item(s) purchased, and the date the purchase was awarded. The list must also state the location where the bid quotations are available for public inspection.

3.9 Exemptions.

3.9.1 As provided in RCW 39.04.280, competitive bidding requirements may be waived by the City Council for the following:

(1) Purchases that are clearly and legitimately limited to a sole source of supply.
(2) Purchases in the event of an emergency.

(3) Purchases of insurance or bonds.
(4) Purchases that involve special facilities or market conditions.

3.9.2 Sole Source. Purchases deemed to be "sole source" are characterized as meeting one or more of the following standards: (a) the City department has conducted a screening process whereby it can justify purchase of a specific product; (b) the City requires legitimate specifications to which only one vendor can successfully respond; or (c) the product is available only through one manufacturer (or distributor) and the manufacturer so certifies. In any such case where the purchase exceeds $5,000, the vendor shall certify that the City is getting the lowest price it offers anyone. Purchases in excess of $5,000 from a sole source vendor require a statement attesting to the legitimacy of sole source and signed by the requesting Department Director with prior approval of the City Administrator.

3.9.3 Emergency. In the event of an emergency, the City Council designates the City Administrator to act with regard to the subject matter of these procedures, and he or she may declare an emergency situation exists, waive competitive bidding requirements and award all necessary purchases on behalf of the City to address the emergency situation. If an agreement is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the City Council in a resolution no later than three weeks following the award of the agreement.

Section 4. Public Works Contracting Procedures

4.1 Cost Thresholds and Contract Authority. The City Council hereby adopts the project thresholds, contract process alternatives and contract authorizations set forth in Table 2, PROVIDED the project is identified in the current city budget and the contract procurement does not exceed the amount identified in the current city budget. All other contract procurements must be presented to the city council for award and authorization.

4.2 MRSC Small Works Rosters; Publication. As provided by Washington Law and a contract between the City and MRSC, the City may use the MRSC rosters according to these procedures. At least once a year, on behalf of the City, MRSC will publish in a newspaper of general circulation within the general jurisdiction a notice of the existence of the roster or rosters. Responsible contractors will be added to appropriate MRSC Roster(s) at any time that they submit a written request and necessary records. Nothing prevents the City from advertising for any small works roster project or consultant through this procedure without use of the MRSC procedure.

4.3 Small Public Works Roster. The following small works roster procedures are established for use by the City pursuant to RCW 39.04.155:

4.3.1 Small Works Cost Thresholds. The City need not comply with formal sealed bidding procedures for the construction, building, renovation, remodeling, alteration, repair, or improvement of real property where the estimated cost does not exceed Three Hundred

Thousand Dollars ($300,000), which includes the costs of labor, material, equipment and sales and/or use taxes as applicable. Instead, the City may use the Small Public Works Roster procedures for public works projects as set forth herein. The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process.

4.3.2 <u>Telephone or Written Quotations</u>.

(1) The City must obtain telephone, written or electronic quotations for public works contracts from contractors on the appropriate small works roster to assure that a competitive price is established and must award the contract to the lowest responsibility bidder as defined in section 4.5.

(2) A contract awarded from a small works roster need not be advertised. Invitations for quotations must include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not to be included in the invitation.

(3) Quotations may be invited from all contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equally distribute the opportunity among the contractors on the appropriate roster. “Equitably distribute” means that the City may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services.

(4) If the estimated cost of the work is from One Hundred Fifty Thousand Dollars ($150,000) to Three Hundred Thousand Dollars ($300,000), the City may choose to solicit bids from less than all the appropriate contractors on the appropriate small works roster but must notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The City has the sole option of determining whether this notice to the remaining contractors is made by:

   a. Publishing notice in a legal newspaper in general circulation in the area where the work is to be done; or
   b. Mailing a notice to these contractors; or
   c. Sending a notice to these contractors by facsimile or email.

(5) At the time the bids are solicited, the City representative must not inform a contractor of the terms or amount of any other contractor’s bid for the same project.

(6) A written record must be made by the City representative of each contractor’s bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations obtained must be recorded, open to public inspection, and available by telephone inquiry.

4.3.3 <u>Small Works Roster Reporting</u>. The City must maintain a list of all contracts awarded using the Small Works Roster. This list will be updated at least once every year and be posted on the City's website. This list will contain the following information:

(1) Name of successful contractor;
(2) Contract amount;
(3) Brief description of the type of work performed;
(4) Award date; and
(5) Location where bid quotations for contracts are available for public inspection.

4.4 Limited Public Works Process.

4.4.1 Limited Public Works Cost Thresholds. If a work, construction, alteration, or improvement project is estimated to cost less than Thirty-five Thousand Dollars ($35,000), the City may award such a contract using the limited public works process provided under RCW 39.04.155(3). Public works projects awarded under this subsection are exempt from the other requirements of the small works roster process described above and in RCW 39.04.155(2) and are exempt from the requirement that contracts be awarded after advertisement as required by RCW 39.04.010.

4.4.2 Solicitation. For a limited public works project, the City will solicit electronic or written quotations from a minimum of three contractors from the appropriate small works roster and must award the contract to the lowest responsible bidder as defined in section 4.5. In making awards under this subsection, the City must attempt to equitably distribute the opportunities for limited public works contracts among contractors willing to perform the work within the geographic area.

4.4.3 The City may use the limited public works process of this subsection 4.4 to solicit and award small works roster contracts to small businesses that are registered contractors. The City may adopt additional procedures to encourage small businesses that are registered contractors with gross revenues under two hundred fifty thousand dollars annually as reported on their federal tax return to submit bids or quotations on small works roster contracts.

4.4.4 For limited public works projects, the City may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, materialmen, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project. However, the City will have the right of recovery against the contractor for any payments made on the contractor's behalf.

4.4.5 After an award is made, the quotations must be open to public inspection and available by electronic request.

4.4.6 Limited Public Works Reporting. The City must maintain a list of all contracts awarded using the Limited Public Works process. This list will be maintained for contracts awarded using this process during the previous 24 months and be posted to the City's website. This list will contain the following information:

(1) Name of successful contractor;
(2) Name of all contractors contacted;
(3) Contract amount;
(4) Brief description of the type of work;
(5) Award date; and
(6) Contractor's registration number.

4.5 Determining Lowest Responsible Bidder; Rejection of Bids. The City must award the contract for the public works project to the lowest responsible bidder provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the governing body may call for new bids. In addition, the City must ensure that contracts are awarded to a contractor who meets the mandatory bidder responsibility criteria in RCW 39.04.350(1) and supplementary criteria as follows:

(1) The bidder must, at the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW; and
(2) The bidder must have a current state unified business identifier number; and
(3) If applicable, the bidder must have industrial insurance coverage for the bidder's employees working in Washington as required by Title 51 RCW, an employment security department number as required in Title 50 RCW and a state excise tax registration number as required in Title 82 RCW; and
(4) The bidder must not be disqualified from bidding on any public works contract under RCW 39.06.010 or RCW 39.12.065(3).
(5) Any other supplementary bidder criteria under RCW 39.04.350(2) established by the City.

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

Section 5. Professional Services Contracting Procedures.

5.1 Consultants Roster for Professional Services. Professional services, also known as consulting services, are those services involving specialized skill, education, and special knowledge. These services include, but are not limited to, architectural, engineering, design services, accounting, art, bond brokerage, insurance brokerage, legal, real estate appraisal, relocation assistance, title abstracts, surveying, soils analysis, and core testing.

Procurement of professional and personal services will be in accordance with chapter 39.80 RCW and chapter 39.29 RCW. The City will use MRSC Rosters to establish a consulting services roster.

5.2 Cost Thresholds and Signature Authority. The City Council hereby adopts the cost thresholds and contracting authorizations set forth in Table 3, attached hereto and incorporated herein PROVIDED the contract for services is identified in the current city budget and the contract does not exceed the amount identified in the current city budget. All other contracts for professional services must be presented to the city council for award and authorization. The Mayor, City Administrator and department directors are authorized to extend the duration of professional service contracts where no additional expenditure is required for contract completion.

5.3 Publication. At least once a year, on behalf of the City, MRSC will publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the consulting services roster or rosters and solicit statements of qualifications from firms providing consulting services. Such advertisements will include information on how to find the address and telephone number of a representative of the City who can provide further details as to the City's projected needs for consulting services. Firms or persons providing consulting services will be added to appropriate MRSC roster or rosters at any time that they submit a written request and necessary records. The City may require master contracts to be signed that become effective when a specific award is made using a consulting services roster.

5.4 Architectural, Engineering, and Design Services. The MRSC Rosters will distinguish between professional architectural and engineering services as defined in RCW 39.80.020 and other consulting services and will announce generally to the public the City's projected requirements for any category or type of professional or other consulting services. The City reserves the right to publish an announcement on each occasion when professional services are required and to use paper and/or other electronic rosters that may be kept on file by appropriate City departments.

5.5 All Other Professional Services. A competitive process is not required for professional or personal services, other than architectural, engineering, and design services as noted in subsection 5.4. Purchase of professional services requires completion of a City professional services contract that describes services to be performed and negotiated price. Prior experience with the City, time-frame for completing projects, and the value of a negotiated agreement will be considered when consideration and awarding a consultant/firm to perform professional services, as defined in this section. Professional and technical services include disciplines such as attorneys, computer programmers, financial analysts, bond counsels, artists, planners, and real estate appraisers.

5.6 Emergency. In the event of an emergency, the City Council designates the City Administrator to act with regard to the subject matter of these procedures, and he or she may declare an emergency situation exists and award all necessary contracts on behalf of the City to address the emergency situation. If a contract is awarded due to an emergency, a written finding of the existence of an emergency must be made by the City Council in a resolution no later than three weeks following the award of the contract.

Section 6. Repealer. Resolution No. 593 and Resolution No. 884 are hereby repealed.

PASSED by the City Council this 23rd day of January, 2017.

APPROVED:

Jill Guernsey

MAYOR JILL GUERNSEY

ATTEST/AUTHENTICATED:

Molly Towslee

CITY CLERK, MOLLY M. TOWSLEE

FILED WITH THE CITY CLERK: 01/17/17
PASSED BY THE CITY COUNCIL: 01/23/16
RESOLUTION NO. 1066

Table 1. Purchasing: Cost Thresholds, Consideration, and Award

Purchase Threshold	Purchasing Process Alternatives	Authorization
$1,000 or less	No formal process required	Department Director or Designee
More than $1,000 to $7,500	Interlocal cooperative purchase agreements, vendor roster, or formal competitive bidding process	Department Director
More than $7,500 and less than $15,000	Written quotes using the vendor roster, interlocal cooperative purchasing agreements, or formal competitive bidding process	City Administrator or Mayor
From $15,000 and less than $50,000	Interlocal cooperative purchasing agreements	City Administrator or Mayor
$15,000 or more	Interlocal cooperative purchasing agreements or formal competitive bidding process	City Council

Table 2. Public Works Contracting: Cost Thresholds, Consideration, and Award

Project Threshold	Contracting Process Alternatives	Authorization
$2,500 or less	Meet the requirements of Section 4 except no contract required	Department Director or Designee
More than $2,500 to $15,000	Limited Public Works or Small Public Works	Department Director
More than $15,000 and less than $35,000	Limited Public Works or Small Public Works	City Administrator or Mayor
From $35,000 and not exceeding $300,000	Small Public Works	City Council

Table 3. Professional Services Contracting: Cost Threshold, Consideration and Award

Contract Threshold	Contracting Process Alternatives	Authorization
$15,000 or less	See section 5	Department Director
More than $15,000 and less than $35,000	See section 5	City Administrator or Mayor
$35,000 or more	See section 5	City Council

GIG HARBOR
"THE MARITIME CITY"

City of Gig Harbor
City Council Agenda Bill

Meeting Date: September 19, 2024

SUBJECT: Employee Recognition Policy

SUBMITTED BY: City Administrator Katrina Knutson
DEPARTMENT: Administration **PHONE:** (253) 851-6127

SUGGESTED MOTION: None.

BACKGROUND INFORMATION: The City of Gig Harbor recognizes that the hard work and dedication of its employees are key to delivering high-quality services to the community. To encourage and sustain this excellence, implementation of a formal employee recognition program is recommended. The program aims to recognize and reward employees who consistently demonstrate exceptional performance, contribute innovative ideas, foster a positive work environment, and embody our adopted mission statement, "Dedicated to our community through teamwork, public service, safety, and respect."

In recent years, public sector employers, including the City of Gig Harbor, have faced increasing challenges with employee retention and job satisfaction. Research has demonstrated that formal recognition programs contribute to higher levels of employee engagement and satisfaction, resulting in better performance and service delivery. In response to this need, staff has developed a comprehensive employee recognition program that aligns with the city's strategic goals and values.

Many aspects of employee recognition have been initiated by the administration over the last three years, to include celebrations of anniversaries, quarterly all staff meetings, departmental/divisional appreciation weeks, etc. The draft policy in front of you today is specifically coming before council due to the financial request in recognition of the Employee of the Year. It is proposed, consistent with other public sector agencies, that the Employee of the Year receives two additional floating holidays for use in the following calendar year for exemplary service.

FISCAL CONSIDERATION: None.

ATTACHMENTS:
1. Draft Employee Recognition Policy

STRATEGIC PLAN PRIORITY: Strategic Plan Priority 1 - Foster a healthy city organization

Employee Recognition Policy

Objective: The employee recognition program aims to acknowledge and appreciate exceptional performance, dedication, and contribution of employees to the success and culture of the City of Gig Harbor. Each quarter, one employee will be recognized as employee of the quarter. Annually, employees of the quarter will be eligible for employee of the year. By recognizing outstanding employees, we aim to foster a culture of excellence within the organization.

Eligibility

All full-time and part-time regular employees are eligible for employee of the quarter. An employee may be designated as employee of the quarter only once during a calendar year.

Criteria for Selection:

1. Performance Excellence: Consistently exceeds job requirements and demonstrates outstanding performance in their role.
2. Leadership: Exhibits leadership qualities, teamwork, and collaboration with colleagues.
3. Innovation: Shows initiative, creativity, and contributes innovative ideas that benefit the city.
4. Customer Service: Demonstrates exceptional customer service and satisfaction through customer engagement and providing solutions.
5. City's Mission Statement: Exemplifies the city's adopted mission statement and adopted departmental mission statement.
6. Eligibility: Represented and unrepresented employees are eligible for employee of the quarter. Members of the city's Executive Team are not eligible.

Nomination and Selection Process:

1. Nominations can be made by supervisors, managers, or peers.
2. Nominations must include specific examples of why the employee deserves recognition, aligned with the criteria mentioned above.
3. Nominations should be submitted via the submission form.
4. The Executive Team will review nominations and make a recommendation to the City Administrator and Mayor. The City Administrator and Mayor will review nominations and select the Employee of the Quarter.
5. Selections will initially be announced in the quarterly all staff meetings.

Employee of the Quarter Benefits:

1. Plaque of Achievement: A certificate recognizing the employee's outstanding performance.

2. The GH Maritime Excellence Oar: The employee will sign their name on the oar as memorial of their great work and have possession of it on display all quarter.
3. Recognition: Announcement on city communication channels (e.g., newsletter, intranet, social media) highlighting the Employee of the Quarter and their achievements.
4. Eligibility for Employee of the Year: Each Employee of the Quarter will be eligible for the Employee of the Year award.

Employee of the Year Award:

1. Selection Process: At the end of each year, the Employee of the Year will be selected from the pool of previous Employees of the Quarter of that same year by the Mayor and City Administrator, with significant input from the Executive Team.
2. Criteria: The Employee of the Year will exemplify exceptional performance, leadership, innovation, customer service, and alignment with the city's mission throughout the year.
3. Recognition: The Employee of the Year will receive a special award and be recognized on the same channels as the Employee of the Quarter, in January of the following year.
4. Additional Benefits: In addition to the regular Employee of the Quarter benefits, the Employee of the Year will be awarded two additional floating holidays for use in the following year, in appreciation of their outstanding contribution.

Review and Evaluation:

1. The effectiveness of the Employee Recognition Program will be periodically reviewed and evaluated by leadership to ensure alignment with city goals and values.
2. Feedback from employees will be solicited to make necessary improvements to the program.

Implementation: This policy will be communicated to all employees via email and discussed at departmental/divisional staff meetings. HR will oversee the nomination and selection process, as well as the administration of rewards and benefits associated with the Employee Recognition Program.

Amendment: This policy may be subject to amendment or revision by administration as necessary to adapt to changing business needs and organizational objectives. Any amendments will be communicated to all employees in a timely manner.