ORDINANCE O-4861

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING CHAPTER 3.85 OF THE KIRKLAND MUNICIPAL CODE RELATING TO PURCHASING.

WHEREAS, the City has adopted regulations to direct and regulate the City of Kirkland's contracting for the purchase of goods, supplies, equipment, professional and nonprofessional services, and public works projects, codified as chapter 3.85 of the Kirkland Municipal Code (KMC); and

WHEREAS, chapter 3.85 KMC was originally adopted in 2007 and, while it has been amended from time to time to reflect changes in procured or to reflect updates in the law, the monetary minimum threshold amounts have not been increased in some time and the requirements have not been modified to address additional specific types of purchasing where the City does not benefit from competitive bidding, such as civil legal services and vehicle repair; and

WHEREAS, the City will benefit from removing specific dollar or percentage amounts for public works projects, as those are based on state statutory provisions that are amended from time to time, and will further benefit from incorporating various alterative publics works contracting procedures; and

WHEREAS, in addition to substantive amendments, chapter 3.85 KMC will benefit from various housekeeping amendments to provide greater clarity or consistency in these purchasing procedures; and

WHEREAS, the City Council has determined that the proposed amendments are in the best interests of the City of Kirkland.

NOW, THEREFORE, the City Council of the City of Kirkland do
 ordain as follows:

32 Section 1. Section 3.85.020 of the Kirkland Municipal Code
 33 (KMC), and the corresponding portions of Ordinance O-4402 § 1 (2013)
 and Ordinance O-4105 § 1 (2007), is amended to read as follows, with
 new text shown in underline and deleted text shown in strikethrough:

37 **3.85.020** Definitions.

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Where used in this chapter, the following words and terms shall have
 the meanings as defined in this section, unless, from the context, a more
 limited or different meaning is clearly defined or apparent:

41 (a) "Director" means the director of finance and administration or <u>their</u>
 42 his/her designee.

43 <u>"Durable goods" means tangible products that have an average usable</u>
 44 <u>life of at least three years.</u>

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

50 (c)—"Electronic data processing systems" and "telecommunications 51 systems" means as defined in RCW 36.92.020 and 19.28.400, 52 respectively, or as otherwise defined for the purposes of RCW 53 39.04.270.

54 (d) "Goods" means all materials, supplies, equipment or other tangibles.

55 (e) "Lowest responsible bidder" as it applies to the purchase of goods
56 and services other than public work means, that in addition to price, the
57 following elements to the extent allowed by law may be given
58 consideration:

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- (1) The ability, capacity, and skill of the bidder to perform the contract or provide the service required;
- 61 (2) The character, integrity, reputation, judgment, experience,
 62 and efficiency of the bidder;
 - (3) Whether the bidder can perform the contract within the time specified;

(4) The quality of performance of previous contracts or services;

(5) The previous and existing compliance by the bidder with laws relating to the contract or services;

(6) The availability, duration, and quality of service guarantees and warranties offered by the bidder;

70 (7) The brand, availability of repair parts, and compatibility with
 71 existing equipment and systems;

72 (8) The location of the bidder's product service centers, if
 73 applicable, in relation to the city of Kirkland;

(9) The bidder's timeliness of the delivery of goods or services;

(<u>10</u>–6) Such other information as may be secured having a bearing on the decision to award the contract.

(f)-"Public works" as defined in RCW 39.04.010 means all work,
 construction, alteration, repair, or improvement other than ordinary
 maintenance, executed at the cost of the city 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 the provisions of RCW
 39.12.020.

83 (g)—"Mandatory bidder responsibility criteria" as defined in RCW
 84 39.04.350(1) means criteria that must be met to be considered a
 85 responsible bidder and qualified to be awarded any public works project.

86 (h)-"Supplemental bidder responsibility criteria" as defined in RCW
87 39.04.350(32) means relevant criteria for determining bidder
88 responsibility applicable to a particular project which the bidder must
89 meet.

90 <u>Section 2</u>. KMC 3.85.030, and the corresponding portions of
 91 Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is
 92 amended to read as follows:
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94 3.85.030 Administrative responsibility.

(a) The <u>D</u>director is responsible for oversight and administration of city
purchasing. The <u>D</u>director has the authority to appoint a purchasing
agent to undertake administrative responsibility for the efficient and
economical procurement of goods, services and public works as
provided in this chapter.

100 The Delirector may delegate purchasing authority to other (b) 101 department directors, managers, supervisors, and/or other approved 102 staff for direct, nonrecurring, non-public works purchases under seven 103 thousand five hundred dollars, which shall be exercised as a small 104 purchase. The maximum threshold amounts the Director can delegate 105 under this subsection are: seventy-five thousand for department 106 directors; ten thousand for managers; and one thousand for supervisors 107 and approved staff.

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109Section 3.KMC 3.85.040, and the corresponding portions of110Ordinance O-4402 §1 (2013), Ordinance 4256 §1 (2010), and111Ordinance O-4105 §1 (2007), is amended to read as follows:112

113 **3.85.040 Procurement standards.**

114 The following standards shall be applicable to city procurements:

(a) A review of all proposed procurements shall be done by purchasing
staff and/or the appropriate budget authority for the purpose of, including
but not limited to, avoiding the purchase of unnecessary or duplicative
items and for consolidating procurements when appropriate to obtain a
more economical purchase.

(b) The purchasing agent or designee shall be responsible for analyzing
procurements to determine whether or not a lease arrangement may be
more economically practical than the purchase alternative. All lease
agreements must be approved by the <u>D</u>director.

(c) Time and material type contracts shall be used only after a
determination that no other type of contract is suitable and when the
contract includes a ceiling price, which the contractor shall not exceed,
except at its own risk.

(d) When using a liquidated damages provision in a contract, the project
manager shall document the derivation of the rate of assessment and
ensure it is reasonable, proper, and not arbitrary and capricious. The
rate should be enough to reasonably compensate the city for damages
suffered, but not so large as to be construed as a penalty.

(e) When contracting for professional services, the contract shall limit
the total of the base and option time periods to not more than five years,
unless otherwise approved by the city manager. Prices for each base
and option time period shall be firm and fixed wherever possible and
shall be established in the initial contract negotiation and execution. If it
is not possible to establish firm, fixed prices, changes in the option

period prices shall be tied to a well-known, published pricing index, suchas the appropriate Consumer Price Index.

(f) Generally goods and services are not to be prepaid (paid for before receiving) unless expressly allowed by statute, the Kirkland Municipal Code or city administrative policy; provided, prepayment may be made if the terms of the prepayment are included in a contract executed prior to the payment. Progress or percentage of completion payments made to a contractor while work is being performed by the contractor may be allowed if deemed appropriate for the project.

(g) Project managers and purchasing staff shall work together to ensure
contractors perform in accordance with the terms and conditions, and
specifications of their contract or purchase order.

(h) All contracts must contain a provision allowing the city to terminate
the contract. Ideally, the provision will authorize such termination without
cause but, in lieu of this ideal, a provision allowing termination for cause
is acceptable if approved by the city attorney's office. A provision in a
single contract authorizing termination without cause in certain
circumstances and termination only for cause in others is also
acceptable upon approval by the city attorney's office.

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159 Section 4. KMC 3.85.070, and the corresponding portions of
160 Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is
161 amended to read as follows, with new text shown in underline and
162 deleted text shown in strikethrough:

164 3.85.070 Methods of procurement.

- 165 Procurement shall be achieved by one of the following methods:
- 166 (a) Small purchase;
- 167 (b) Invitation for bids (IFB);

168 (c) Request for proposals (RFP) and request for qualifications (RFQ)169 for competitive negotiations;

(d) Small works roster option for public works projects less than <u>the</u>
threshold in dollars three hundred thousand dollars authorized by RCW
39.04.155, including the limited public works option for projects under
thirty five thousand dollars the threshold in dollars authorized by RCW
39.04.155;

175 (e) Cooperative purchasing;

(f) Electronic data processing and telecommunications systems asprovided by RCW 39.04.270;

(g) Waiver of competitive bidding requirements as provided by RCW39.04.280;

180 (h) Job order contracting as provided for in <u>C</u>hapter 39.10 RCW;

- 181 (i) <u>Design-build contracting as provided for in chapter 39.10 RCW;</u>
- 182 (j) Contractor/construction manager contracting as provided for in
 183 chapter 39.10 RCW;

184 (k) Performance-based contracting for water conservation services,
 185 solid waste reduction services, and energy equipment and services as
 186 provided for in chapter 39.35A RCW;

187 (I) By the city manager as allowed under Sections 3.16.040 and 3.16.050;

189 (<u>m-j</u>) As otherwise allowed by law and approved by the <u>D</u>director.

191Section 5.KMC 3.85.080, and the corresponding portions of192Ordinance O-4402 §1 (2013), Ordinance 4256 §1 (2010), Ordinance1934111 §2 (2007), and Ordinance O-4105 §1 (2007), is amended to read194as follows:

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3.85.080 Small purchase.

197 (a) Small purchase procedures shall be used for purchases of goods, 198 equipment, materials, and routing routine services when it is expected 199 the total price will not exceed seventy-five fifty-thousand dollars, 200 including sales tax and freight, except as otherwise allowed in Sections 201 3.85.190 and 3.85.200. Procurement requirements shall not be 202 artificially divided so as to constitute a small purchase under this section. 203 The director of the department making these purchases is authorized to 204 make such purchases without further approval if the total price will not 205 exceed seventy-five fifty-thousand dollars so long as done in compliance 206 with the procedures herein outlined. All purchases of seventy-five fifty 207 thousand dollars or more shall be approved by the city manager or 208 designee.

209 (b) For goods, equipment, materials, and routine services, price 210 quotations shall be obtained and documented from at least three 211 sources, where possible, if the total price is expected to be between ten 212 seven-thousand five hundred dollars and seventy-five fifty-thousand 213 dollars including sales tax and freight, except as otherwise allowed in 214 this chapter. All awards to other than the lowest responsible bidder must 215 be documented on the quote sheet with selection rationale clearly 216 defined. For goods, equipment, materials, and routine services under 217 ten seven thousand five hundred dollars, formally documented price 218 quotations shall be unnecessary, but it is expected that competitive 219 pricing shall be sought in the best interests of the city.

(c) The purchasing agent shall be responsible for determining the
adequacy of quotations for small purchases. So long as the
authorization exists within the budget appropriation for the small
purchase, the manager or director with the appropriate budget authority
shall not be required to obtain further approval by the city council prior
to the commitment and expenditure of funds.

(d) Price quotations for repetitively purchased items that are purchased
within one year of the last procurement of that exact item(s) shall be
unnecessary provided the prior competitively quoted purchase price has
not changed.

(e) In accordance with RCW 39.04.190, the purchasing agent will
publish a notice twice per year in the city's designated official newspaper
advising potential bidders of the existence of the vendor list used by the
city. The vendor list is to be used for the purpose of identifying suppliers

interested in being provided the opportunity to quote on small purchases
for materials, equipment, supplies, and routine services.

Ordinance O-4402 §1 (2013), is amended to read as follows:

Section 6. KMC 3.85.085, and the corresponding portions of

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3.85.085 Public work bidding requirements.

(a) Per RCW 35A.40.210(1), public work and improvements for code
cities are governed by RCW 35.23.352, which also applies to secondclass cities and towns.

244 (b) In accordance with RCW-35.23.352, T the city may construct any 245 public works, as defined in RCW 39.04.010, by contract or day labor 246 without calling for bids for such work whenever the estimated cost of the 247 work or improvement, including the cost of materials, supplies, and 248 equipment, will not exceed the thresholds in dollars as authorized by 249 RCW 35.23.352(1)-sum of sixty-five thousand dollars if more than one 250 craft or trade is involved with the public works, or forty thousand dollars 251 if a single craft or trade is involved with the public works, or the public 252 works project is street signalization or street lighting. A public works 253 project means a complete project. The restrictions in this subsection do 254 not permit the division of the project into units of work or classes of work 255 to avoid the restriction on work that may be performed by day labor on 256 a single project.

(c) When bidding for public work estimated to be in an amount greater
than the thresholds set forth in subsection (b) of this section, the city
may either use the invitation for bids process (Section 3.85.100) or, if
within the threshold in dollars authorized by RCW 39.04.155(1) less than
three hundred thousand dollars, the small works roster process (Section
3.85.170) to obtain competitive bids.

(1) When preparing bid documents for any public work project, the checklist for developing supplemental bidder responsibility criteria is to be reviewed and completed by the project manager to determine what, if any, supplemental criteria may be appropriate for the project. The completed checklist must be reviewed and approved by the project manager's immediate supervisor.

(d) As an alternative to bidding for public work for projects costing <u>within</u>
 the threshold in dollars authorized by RCW 39.10.450(1) less than three
 hundred fifty thousand dollars, the city may engage in job order
 contracting as allowed under Cchapter 39.10 RCW and specified in
 RCW 39.10.410 through 39.10.470.

(e) Subject to city council approval and the requirements of RCW
 39.10.270 or RCW 39.10.280, the city may engage in design-build
 procedure for public works projects as allowed under chapter 39.10
 RCW and specified in RCW 39.10.300 through 39.10.330.

(f) Subject to city council approval and the requirements of RCW
 39.10.270 or RCW 39.10.280, the city may engage in general
 contractor/construction manager procedure for public works projects as
 allowed under chapter 39.10 RCW and specified in RCW 39.10.340
 through 39.10.410.

(g-e) Per RCW 39.04.020, for any public work which is not competitively
 bid and where the cost is estimated to exceed the threshold in dollars
 <u>authorized by RCW 39.04.020</u> twenty-five thousand dollars, notice
 providing the estimated cost and a description of the work will be
 published at least once in a legal newspaper of general circulation in the
 area where the work will be performed and at least fifteen days before
 beginning work.

291 <u>Section 7</u>. KMC 3.85.090, and the corresponding portions of 292 Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is 293 amended to read as follows:

294 295 **3.85.090** Invitation for bids/requests for proposals.

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(a) Unless another method of procurement is authorized in this chapter
or by other law, IFB/RFP/RFQ procedures shall be used for the
purchase of goods and services when it is estimated the total price will
exceed <u>seventy-five</u> fifty thousand dollars, including any applicable
sales tax and freight charges.

(b) A pre-submission conference may be held when conducting the IFB,
RFP, or RFQ process. The pre-submission conference is for the
purpose of answering questions and clarifying the requirements and
specifications relevant to the procurement. Notice for such presubmission conference shall be advertised and stated in the public
notice and the general requirements for the invitation for bids, request
for proposals or request for qualifications.

308 (c) To facilitate efficient award of purchases solicitated through an
 309 invitation for bid, the city manager may request that Council pre 310 authorize award of a contract valued under two million dollars, provided
 311 the bid does not contain any cumulative additive alternates; the award
 312 is to the lowest responsive, responsible bidder; and the amount of the
 313 low bid is within the authorized budget for the project.

<u>Section 8</u>. KMC 3.85.090, and the corresponding portions of Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is amended to read as follows:

319 3.85.100 Invitation for bids Public Works bid invitation,
 320 acceptance, and evaluation.

(a) An invitation for bids (IFB) <u>for public works</u> shall be used in all cases
where adequate information exists to form a complete and realistic bid
specification, where the procurement lends itself to a firm, fixed-price
dollar amount, and where award can be made principally on the basis
of selecting the lowest responsible bidder.

- (1) All <u>public works project</u> awards to other than the low bidder must be authorized by law, documented on the bid sheet or where appropriate and with the selection rationale clearly set forth.
- 330 (2) The IFB shall specify the city's right to postpone the award
 331 of the contract or to reject any or all bids.

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332 333 334 335	(<u>3</u> -1) When preparing an IFB for a public work project, the project manager must include any relevant supplemental bidder responsibility criteria in the bid document as provided for in KMC 3.85.085(c)(1).
336 337 338 339	(b) The city manager may request that the city council authorize a call for bids for goods, services or public works estimated to have a total cost of more than <u>seventy-five</u> fifty thousand dollars, which must be executed by the city manager or his/her designee.
340 341 342	(c) Bids received by the published due date and time shall be accepted without alteration or correction. Award shall be made to the lowest responsible bidder based on the requirements set forth in the IFB.
343 344 345 346 347 348 349 350	(1) In accordance with RCW 39.04.350, the evaluation of bids for public work projects must include verification that the bidder meets mandatory bidder responsibility criteria and any supplemental bidder responsibility criteria, and a written declaration from the bidder verifying under penalty of perjury the bidder is in compliance with the responsible bidder criteria requirements for wage and labor standards in Chapters 49.46, 49.48, and 49.52 RCW.
351 352 353 354 355 356 357 358 359	(2) In accordance with RCW 35.23.352(2), award may be made to the second lowest bidder where such bid is within five percent of the lowest bid, meets the same bidder criteria as the lowest bid, and the city issues a written finding that the lowest bidder has delivered a project to the city within the last three years that was late, over budget, or did not meet specifications, and the city does not find, in writing, that such bidder has shown how they would improve performance to be likely to meet project specifications.
360 361	(<u>e-d</u>) Bids shall be opened and read publicly at the time and place designated in the IFB notice.
362 363 364	(d <u>e</u>) The name and address of each bidder, the bid price and any other relevant information as may be specified in the IFB shall be read aloud and recorded in the minutes of the bid opening.
365 366 367	(e- <u>f</u>) It shall also be announced that the bid review will be completed by city staff and the expected date given when the city council shall meet to award the contract.
368 369	(f) The IFB shall specify the city's right to postpone the award of the contract or to reject any or all bids.
370 371 372 373 374 375 376	(g) The city council will award all contracts for goods, routine services er public works that are determined to be more than fifty thousand dollars <u>valued over three hundred fifty thousand dollars. All other</u> <u>contracts for public works solicited through an IFB process may be</u> <u>awarded by the city manager/designee, or the city manager may elect</u> <u>to recommend award of the contract by the city council. Upon award, all</u> <u>such contracts will be executed by the city manager/designee.</u>
377 378 379	(h) The purchase record, bid sheet, minutes of the bid opening, and each bid, to the extent allowed by law, shall be open to public inspection following contract award.
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<u>Section 9</u>. A new section, to be codified as KMC 3.85.105, is added to chapter 3.85 KMC to read as follows:

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3843.85.105Goods and services bid invitation, acceptance, and385evaluation.

386 (a) An invitation for bids (IFB) for goods and services may be used in 387 cases where adequate information exists to form a complete and 388 realistic bid specification, where the procurement lends itself to a fixed-389 price dollar amount, and where award can be made principally on the 390 basis of selecting the lowest responsible bidder. For goods and services 391 that are not a public work, the "lowest responsible bidder" is determined 392 by considering elements and attributes, in addition to price, as provided 393 under KMC 3.85.020(f).

- (1) All goods and services awarded to other than the low bidder must be authorized by law, documented on the bid sheet or where appropriate and with the selection rationale clearly set forth.
- 398 (2) The IFB shall specify the city's right to postpone the award399 of the contract or to reject any or all bids.

400 (b) Bids for goods and services are not required to be opened in public.

401 (c) Bids for goods and services shall be opened at the time designated
402 in the IFB notice, and a written record shall be made of the name and
403 address of each bidder, the bid price, and any other relevant
404 information.

405 (d) All bidders shall be given reasonably prompt notification of the406 expected date that the city will award the contract.

(e) Contracts for goods and services solicited through an IFB process
valued at one hundred thousand dollars or less may be awarded by the
city manager/designee, or the city manager/designee may elect to
recommend award by the city council. All other contracts for goods and
services solicited through an IFB process will be awarded by the city
council. Upon award, all such contracts will be executed by the city
manager/designee.

(f) The purchase record, bid sheet, bids, and record of the bid opening,
to the extent allowed by law, shall be open to public inspection following
contract award.

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418 <u>Section 10</u>. KMC 3.85.110, and the corresponding portions of 419 Ordinance O-4402 §1 (2013) and Ordinance O-4105 § 1(2007), is 420 amended to read as follows:

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3.85.110 Request for proposal/request for qualifications.

(a) A request for proposal (RFP) or request for qualifications (RFQ) shall
be used when the procurement lacks definite specifications, when
proposals are sought for the purpose of establishing a bid specification,
when the goods or services being procured involve creative design or
professional administration, and/or when subjective criteria is
considered in the contract award, which is made in the best interests of
the city.

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430	(1) Procurements for architectural and engineering services
431	shall be conducted as provided for in Chapter 39.80 RCW. Either
432	the RFQ process or solicitations for qualifications from qualified
433	firms listed on the city's designated A&E roster may be used.
434	(b) When proposals are sought for the purpose of establishing a bid
435	specification, it shall so state in both the public notice and in the RFP or
436	RFQ.
437	(c) The RFP or RFQ shall identify all significant evaluation factors and
438	their relative weighted importance.
439	(d) Verbal interviews with any proposer who has submitted a proposal
440	may be conducted to determine the capabilities of the proposer and their
441	understanding of the city's needs.
442	(e) Contracts in excess of <u>seventy-five</u> fifty thousand dollars resulting
443	from the RFP or RFQ process may be awarded by and executed by the
444	city manager or his/her designee. The city manager/designee may elect
445	to recommend award of the contract by the city council.
446	(f) Except where prohibited by law, proposals shall be reviewed
447	privately with strict confidentiality regarding all evaluative factors
448	maintained throughout the review process. The evaluation committee
449	will grade all factors, with their consensus recorded on the proposal
450	tabulation worksheet.
451	(g) The purchase record, proposal tabulation worksheet and each
452	proposal, to the extent allowed by law, shall be open to public inspection
453	following contract award.
454 455 456 457 458	<u>Section 11</u> . KMC 3.85.130, and the corresponding portions of Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is amended to read as follows:
459	3.85.130 Bid/p-Proposal acceptance and evaluation.
460 461 462 463	(a) Bids received by the published due date and time shall be unconditionally accepted without alteration or correction. Award shall be made to the lowest responsible bidder based on the requirements set forth in the IFB.
464	(1) In accordance with RCW 39.04.350, the evaluation of bids
465	for public work projects must include verification that the bidder
466	meets mandatory bidder responsibility criteria and any
467	supplemental bidder responsibility criteria.
468	(b- <u>a</u>) Proposals received by the published due date and time shall be
469	unconditionally accepted without alteration or correction. Submissions
470	shall be evaluated based on the requirements set forth in the RFP/RFQ,
471	which may include but are not limited to criteria to determine
472	acceptability such as inspection, testing, quality, workmanship, delivery,
473	suitability for a particular purpose, and pre-award survey of the
474	proposer's facilities. Those criteria that will affect the price and will be
475	considered in evaluation for award as determined by the city shall be
476	objectively measurable, including but not limited to discounts, sales tax,
477	transportation costs, installation costs, and total project or life cycle
478	costs.

479(e-b)In addition to the foregoing, the following elements may be480considered in the evaluation of proposals:

(1) The ability, capacity and skill of the proposer to perform the contract or provide the service required;

483 (2) The character, integrity, reputation, judgment, experience484 and efficiency of the proposer;

485 (3) The proposer's proposed method for assuring timely and486 acceptable performance of the work;

487 (4) The quality of performance by the proposer on previous
488 contracts with the city or another public agency, including but not
489 limited to the relative costs, burdens, time and effort necessarily
490 expended by the city or another public agency in securing
491 satisfactory performance;

(5) The previous and existing compliance by the proposer with laws relating to the contract or services;

494 (6) The proposer's management system to be applied in
495 performing the work and the reasonableness of the resources to
496 be applied;

497 (7) Such other information as may be secured having a bearing498 on the decision to award the contract.

499 (d-c) A committee may be selected to conduct the technical evaluation 500 of the proposals received and shall make a recommendation for contract 501 award to the city council based upon each of the evaluation elements in 502 accordance with the weighted importance of each element as 503 determined by the project manager and purchasing agent prior to the 504 solicitation. The relative positions and evaluation points are totaled for 505 each evaluation element or category, and the proposer with the highest 506 overall total of evaluation points shall be recommended for contract 507 award.

508 (e--d) After the initial tabulation of evaluated proposals, the most 509 qualified competitor may be selected subject to negotiation of fair and 510 reasonable compensation. When evaluating RFQs for architectural and 511 engineering services, a qualifications-based selection process will be 512 used and price shall not be considered as an evaluation factor in 513 determining the most qualified proposer. Price negotiation shall be 514 conducted with only the most qualified proposer. Failing agreement on 515 price, negotiations with the next most qualified proposer may be 516 conducted until a contract award can be made to the most qualified 517 proposer whose price is fair and reasonable to the city.

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519 <u>Section 12</u>. KMC 3.85.160, and the corresponding portions of 520 Ordinance O-4402 §1 (2013) and Ordinance O-4164 §1 (2008), is 521 amended to read as follows: 522

523 **3.85.160** Application.

524 (a) Consistent with RCW 35.21.120, this chapter, with the exception of 525 KMC 3.85.260, does not apply to solid waste collection or recycling 526 services. (b) This chapter does not apply to the procurement of civil legal services
 by the city attorney, including procurement for services by attorneys,
 paralegals, expert witnesses, appraisers, and court reporters. This
 chapter applies to contracts for public defense and prosecution services.

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532 <u>Section 13</u>. KMC 3.85.170, and the corresponding portions of 533 Ordinance O-4402 §1 (2013), Ordinance O-4256 §2 (2010), and 534 Ordinance O-4105 §1 (2007), is amended to read as follows: 535

536 **3.85.170** Small works roster process.

(a) In accordance with the procedures set forth in RCW 39.04.155,
contracts for public works projects with a total cost, including applicable
taxes, between <u>ten</u> seven thousand five hundred dollars and <u>the</u>
threshold in dollars authorized by RCW 39.04.155(1) three hundred
thousand dollars may be awarded using the small works roster process.

542 (b) The limited public works process as defined in RCW 39.04.155(3) 543 may also be used for projects estimated to cost less than thirty-five 544 thousand dollars the threshold in dollars authorized by RCW 545 <u>39.04.155(3)</u>. Using this process, quotes are solicited from a minimum 546 of three contractors found in the appropriate category of work in the 547 small works roster. The performance bond and payment bond 548 requirements and/or retainage requirements may be waived by the city.

549 (c) Quotations may be invited from all appropriate contractors on the 550 appropriate small works roster. As an alternative, quotations may be 551 invited from at least five contractors on the appropriate small works 552 roster who have indicated the capability of performing the kind of work 553 being contracted, in a manner that will equitably distribute the 554 opportunity among the contractors on the appropriate roster. However, 555 if only five quotations are sought and the estimated cost of the work is 556 within the range in dollars provided by RCW 39.04.155(2)(c) from one hundred fifty thousand dollars to three hundred thousand dollars, the 557 city must also notify the remaining contractors on the appropriate small 558 559 works roster that quotations on the work are being sought. Such notice 560 must be published in a legal newspaper of general circulation, mailed to 561 these other contractors or sent by facsimile or other electronic means.

(d) At least once a year, the city shall publish in a newspaper of general
circulation within the jurisdiction a notice of the existence of the roster
or rosters and solicit the names of contractors for such roster or rosters.
Responsible contractors shall be added to an appropriate roster or
rosters at any time that they submit a written request and necessary
records.

(e) The city is authorized to participate with other local governments in
the use of a multijurisdictional small works roster. The lead entity for the
multijurisdictional small works roster must be clearly identified in the
interlocal agreement as being responsible for implementing the
provisions of RCW 39.04.155(2).

573 (f) A formal public bid opening is not required when using the small 574 works roster process. However, no interested party shall be 575 unreasonably denied the opportunity to be present when bids are 576 opened. (g) Contracts for small works roster bids over <u>seventy-five fifty</u> thousand dollars will be awarded <u>and executed</u> by the <u>city manager</u> city council at the next scheduled council meeting following staff recommendation, unless continued by the city council. <u>The city manager/designee may</u> <u>elect to recommend award of the contract by the city council.</u>
Department directors responsible for a project are authorized to award <u>a contract where the total value is seventy-five thousand dollars or less.</u>

584 (h) In accordance with RCW 39.04.200, the purchasing agent will, at 585 least once every year, make available to the public a list of the contracts 586 awarded using the small works roster process during the previous year. 587 The list shall contain the name of the contractor or vendor awarded the 588 contract, the amount of the contract, a brief description of the type of 589 work performed or items purchased under the contract, and the date it 590 was awarded. The list shall also state the location where the bid 591 quotations for these contracts are available for public inspection.

592 <u>Section 14</u>. KMC 3.85.180, and the corresponding portions of 593 Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is 594 amended to read as follows: 595

596 **3.85.180** Cooperative purchasing.

597 (a) With the approval of the city council, the purchasing agent may enter 598 into interlocal cooperative purchasing agreements with other public 599 agencies. The Director is authorized to enter into interlocal cooperative 600 purchasing agreements with other public agencies when any such 601 purchasing agreement would serve the best interests of the city of 602 Kirkland. The interlocal cooperative purchasing agreements must be in 603 accordance with the provisions set forth in Chapter 39.34 RCW as 604 currently written or hereafter amended.

605 (b) When purchasing off of a contract awarded by another public agency 606 where an interlocal cooperative purchasing agreement is in place, any 607 statutory obligation to provide notice for bids or proposals that applies 608 to the city is satisfied if the public agency or group of public agencies 609 that awarded the bid, proposal, or contract complied with its own legal 610 requirements and either posted the bid or solicitation notice on a website 611 established and maintained by the public agency for purposes of posting 612 public notice of bid or proposal solicitations or provided an access link 613 on the state's web portal to the notice.

(c) Invitations for bids for goods and services and requests for proposals
issued by the city may include notice that the city participates in
cooperative purchasing and that other public agencies may desire to
place orders against the awarded contract. Bidders/proposers may be
asked to indicate if they agree to allow orders from other public agencies
that have an interlocal cooperative purchasing agreement with the city.

620 (d) Contracts/purchase orders in excess of <u>seventy-five</u> fifty thousand 621 dollars resulting from the cooperative purchasing process will be 622 approved by the city manager or his/her designee. 623 Section 15. KMC 3.85.190, and the corresponding portions of 624 Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is 625 amended to read as follows: 626 627 3.85.190 Purchases from/through the United States 628 government. 629 (a) In accordance with RCW 39.32.090, this chapter allows for the 630 purchase of supplies, materials and/or equipment from or through the 631 United States government without calling for competitive bids. 632 (b) The purchasing agent is responsible for reviewing the proposed 633 purchase to determine that the purchase is in the best interests of the 634 city. 635 (c) Under this section, purchases made in excess of seventy-five fifty 636 thousand dollars must be approved by the city manager or his/her 637 designee. 638 Section 16. A new section, to be codified as KMC 3.85.195, is 639 added to chapter 3.85 KMC to read as follows: 640 641 3.85.195 Performance-based contracts for water 642 conservation, solid waste reduction, and energy equipment and 643 services. 644 (a) In accordance with Chapter 39.35A RCW, the Director may enter 645 into performance-based contracts for water conservation services, solid 646 waste reduction services, and energy equipment and services. 647 (b) After entering into an interlocal agreement with the Washington 648 State Department of Enterprise Services under RCW 39.34.080, 649 consultants and contractors may be selected from a registry of pre-650 qualified firms maintained by the Washington State Department of 651 Enterprise Services under RCW 39.35A.050. (c) As an alternative to using the Washington State Department of 652 653 Enterprise Services registry of pre-qualified firms, the city may issue an 654 RFP/RFQ pursuant to RCW 39.35A.30. 655 656 Section 17. KMC 3.85.200, and the corresponding portions of Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is 657 658 amended to read as follows: 659 660 3.85.200 Electronic data processing and telecommunications 661 systems. 662 (a) Purchases of electronic data processing or telecommunications 663 equipment, software, or services that do not include any element of public works are purchased as goods or services as provided in this 664 665 chapter. 666 (b) The city may purchase electronic data processing or 667 telecommunication-equipment, software, or services Consistent with RCW 39.04.270, purchases of electronic data processing or 668 669 telecommunications equipment, software, or services that are, or 670 include an element of, public works under RCW 35.23.352 may be 671 procured through competitive negotiation rather than through

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672 673	competitive bidding <u>, when competitive bidding would otherwise be</u> <u>required</u> .
674 675	(<u>1</u> ^{b)} Competitive negotiation, for the purposes of this section, shall include, as a minimum, the following requirements:
676 677 678 679 680 681 682 683 683 684 685 686	(<u>A</u> 4) A request for proposal shall be prepared and submitted to an adequate number of qualified sources, as determined by the municipality in its discretion, to permit reasonable competition consistent with the requirements of the procurement. Notice of the request for the proposal must be published in a newspaper of general circulation in the municipality at least thirteen days before the last date upon which proposals will be received. The request for proposal shall identify significant evaluation factors, including price, and their relative importance.
687 688 689 690	(<u>B</u> 2) The municipality shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for awarding the contract.
691 692 693 694	(<u>2</u> e) The award shall be made to the qualified bidder whose proposal is most advantageous to the municipality with price and other factors considered. The municipality may reject any and all proposals for good cause and request new proposals.
695 696 697 698 699	<u>Section 18</u> . KMC 3.85.210, and the corresponding portions of Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is amended to read as follows:
700	3.85.210 Waiver of competitive bidding requirements.
701 702 703 704 705 706 707 708	(a) The competitive bidding requirements set forth in this chapter for goods, general services, and public works may be waived by the city manager or designee. However, if the cost exceeds <u>seventy-five</u> fifty thousand dollars, the city manager or designee must provide the city council with documentation of the rationale for waiving the competitive bidding requirements. Competitive bidding requirements may be waived for:
709 710	 Purchases that are clearly and legitimately limited to a single source of supply;
711	(2) Purchases involving special facilities or market conditions;
712	(3) Purchases of insurance or bonds; and
713 714	(4) Purchases of goods, services or public works in the event of an emergency.
715 716 717 718	(b) The competitive bidding requirements in this chapter may be waived by the Director for purchases of any of the following, provided city staff must prepare documentation of the rationale for waiving the competitive bidding requirements hereunder:
719 720	(1) Captive replacement parts and components matching an existing brand of vehicle, equipment, systems, or a substantial
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721 722	parts inventory where compatibility is the overriding consideration, such as an integral repair part or accessory.
723 724	(2) Services for the repair of durable goods, including vehicles, machinery, and equipment.
725 726 727 728 729	(3) With IT Director approval, renewal contracts with existing vendors for existing software services for mission-critical applications, as defined by standard operating procedures of the Information Technology (IT) Department, and any related, integrated services of such existing applications.
730 731 732 733	(<u>c</u> - b) Immediately after the award of any contract under this section, to the extent allowed by law, the contract and the factual basis for the exception must be recorded and open to public inspection, to the extent allowed by law.
734 735 736 737 738 739 740 741	$(\underline{d}$ -e) If an emergency exists, the city manager or designee may declare an emergency situation exists, waive competitive bidding requirements, and award all necessary contracts on behalf of the municipality 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 manager and entered of record by reporting to the city council no later than two weeks following the award of the contract.
742 743 744 745 746 747	(<u>1</u> - d) In accordance with RCW 39.04.020, upon the written determination by the city manager of an emergency for the procurement of any public work in excess of twenty-five thousand dollars, a description and estimate of the cost of such work shall be published within seven working days after commencement of the work.
748 749 750 751 752 753	(e) For the purchase of professional services other than architectural and engineering services at a cost of less than <u>seventy-five</u> fifty thousand dollars, the use of a competitive process may be waived by the department director. The rationale for waiving the use of a competitive process must be documented and provided to the purchasing agent prior to contract award.
754 755 756 757 758 759	(f) For the purchase of professional services other than architectural and engineering services at a cost of <u>seventy-five_fifty</u> thousand dollars or more, the use of a competitive process may be waived by the city manager or their designee prior to contract award. The rationale for waiving the use of a competitive process must be documented and provided to the city council.
760 761 762 763	<u>Section 19</u> . KMC 3.85.220, and the corresponding portions of Ordinance O-4402 §1 (2013) and Ordinance O-4105 §1 (2007), is amended to read as follows:
764 765 766	3.85.220 Contract amendments/change orders.
767 768	(a) Amendments are changes to professional service agreements, contracts for goods, and contracts for routine maintenance.
769 770	(1) If an amendment increases the total value of the contract, the contract amendment must be approved by the appropriate
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771 authority based on the new value of the contract. Any 772 amendment that takes a contract value over seventy-five-fifty 773 thousand dollars requires the approval of the city manager. The 774 city manager may choose to seek additional council approval. 775 (2) Contracts awarded by the council may also authorize 776 negotiation of amendments without further council approval 777 being needed. 778 (3) Amendments that do not change the total value of the 779 contract (e.g., extended duration) may be approved by the 780 department director. 781 (b) Change orders are changes made to a public works contract. 782 (1) Public Works Under Seventy-Five Fifty Thousand Dollars. 783 Department directors or their designees are (A) 784 authorized to approve public works contract change 785 orders where the total value of the contract plus the 786 change order remains below seventy-five fifty thousand 787 dollars. 788 (2) Public Works Over Seventy-Five Fifty Thousand Dollars. 789 (A) Change orders, cumulatively or singly, that do not 790 exceed the project's contingency funding may be 791 approved by the department director or their designee. 792 (B) Change orders that cumulatively or singly increase 793 the value of a contract to exceed the project's 794 contingency funding by twenty-thirty-five thousand 795 dollars or less require the approval of the city manager. 796 The city manager may choose to seek additional 797 approval from the council. 798 (C) The council must approve change orders that increase the value of the contract to more than twenty 799 thirty-five thousand dollars beyond the project's 800 801 contingency funding. 802 803 Section 20. KMC 3.85.230, and the corresponding portions of 804 Ordinance O-4586 §1 (2017), Ordinance O-4402 §1 (2013), Ordinance 805 O-4111 §3 (2007), and Ordinance O-4105 §1 (2007), is amended to 806 read as follows: 807 808 3.85.230 **Bonding Policy.** 809 810 (a) For all public works contracts, the following minimum bonding requirements shall be met for each procurement: 811 812 (1) A bid deposit in the form of a bid bond, cashier's check or 813 certified check in an amount equal to at least five percent of the total bid must be submitted before the published due date and 814 time enclosed with the submitted sealed bid if the bid is in excess 815 816 of sixty-five thousand dollars or in excess of forty thousand 817 dollars if only a single craft or trade is involved with the public works the thresholds in dollars authorized by RCW 35.23.352(1) 818

819 or the public works project is for street signalization or street 820 lighting. 821 (2) A performance bond and a payment bond for one hundred 822 percent of the total contract price shall be received from the 823 successful contractor prior to contract execution for all contracts 824 except as otherwise provided for in this section. The surety 825 issuing the bond must have an A. M. Best financial strength 826 rating of A- or better. If the surety does not have an A. M. Best 827 rating of at least A-, the city's risk/safety analyst is to be 828 consulted prior to approval. 829 (b) On public works contracts of one-hundred fifty thousand dollars or 830 less a value equal to or less than the threshold in dollars authorized by 831 RCW 39.08.010, at the option of the contractor, the city may, in lieu of a 832 performance and payment bond, retain ten percent of the contract 833 amount for a period of thirty days after date of final acceptance, or until 834 receipt of all necessary releases from the Department of Revenue and 835 settlement of any liens fixed under Chapter 60.28 RCW, whichever is 836 later. The recovery of unpaid wages and benefits must be the first 837 priority for any actions filed against any such retained amounts. The 838 option to retain ten percent of the contract amount in lieu of a 839 performance and payment bond does not eliminate the requirement for 840 a bid deposit under KMC 3.85.230(a)(1) and is in addition to any 841 retainage required by RCW 60.28.011. 842 (c) If the limited public works process allowed under Section 3.85.170(b) 843 is used, the city may waive the requirements for performance and 844 payment bonds and/or retainage. 845 (d) The purchasing agent, in consultation with the project manager, city 846 attorney's office and risk/safety analyst as needed, shall have authority 847 to determine amounts of protective bid guarantees for all purchases in 848 the best interests of the city. 849 850 Section 21. KMC 3.85.260, and the corresponding portions of 851 Ordinance O-4841 §1 (2023), is hereby amended to read as follows: 852 853 3.85.260 **Compost Products Procurement.** 854 855 (a) Prior to the issuance of a solicitation for bids or proposals, affected 856 departments shall consider whether compost products can be utilized in 857 connection with a city project. When such products can be utilized, their 858 procurement shall be a required element of any solicitation issued 859 pursuant to this chapter and in accordance with its terms. 860 (b) Affected departments shall plan for the use of compost products in 861 the following categories: 862 (1) Landscaping projects; 863 Construction and postconstruction soil amendments; 864 (3) Applications to prevent erosion, filter stormwater runoff, 865 promote vegetation growth, or improve the stability and longevity 866 of roadways; and

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867 868	(4) Low-impact development and green infrastructure to filter pollutants or keep water on-site, or both.
869	(c) Notwithstanding subsections (a) and (b) of this section, the city is
870	not required to use compost products if:
871	 Compost products are not available within a reasonable
872	period of time;
873	(2) Compost products that are available do not comply with
874	existing procurement standards;
875	(3) Compost products that are available do not comply with
876	federal, state, or local health, quality, and safety standards; or
877	(4) Compost product purchase prices are not reasonable or
878	competitive.
879	(d) The city shall give priority to purchasing compost products that:
880	Produce compost products locally;
881	(2) Are certified by a nationally recognized organization, such
882	as the United States Composting Council; and
883	(3) Produce compost products that are derived from municipal
884	solid waste compost programs and meet quality standards
885	adopted by the Washington departments of transportation or
886	ecology.
887	(e) The city manager or designee shall develop and implement
888	education and outreach strategies to inform community members about
889	the value of compost products and how the city uses compost in its
890	operations.
891 892 893 894 895	(f) By December 31, 2024, and each December 31st of even-numbered years thereafter, the city manager or designee shall submit a report covering the previous year's compost products procurement activities to the Washington department of ecology containing the following information:
896	(1) The total tons of organic materials diverted;
897	(2) The volume and costs of compost products purchased; and
898	(3) The source or sources of the compost products.
899 900 901	Nothing in this section limit <u>s</u> the ability to enter into collective purchasing agreements for compost products if doing so is more cost-effective or efficient.
902	<u>Section 22</u> . If any provision of this ordinance or its application to
903	any person or circumstance is held invalid, the remainder of the
904	ordinance or the application of the provision to other persons or
905	circumstances is not affected.
906	Section 23. This ordinance shall be in force and effect five days
907	from and after its passage by the Kirkland City Council and publication
908	pursuant to Section 1.08.017, Kirkland Municipal Code in the summary
909	form attached to the original of this ordinance and by this reference
910	approved by the City Council.

Passed by majority vote of the Kirkland City Council in open
 meeting this 5th day of March, 2024.

913

Signed in authentication thereof this 5th day of March, 2024.

Kelli Curlis, Mayor

Attest:

Kathi Anderson, City Clerk

Approved as to Form:

Publication Date: March 13, 2024

Kevin Raymond, City Attorney

PUBLICATION SUMMARY OF ORDINANCE NO. 4861

AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING CHAPTER 3.85 OF THE KIRKLAND MUNICIPAL CODE RELATING TO PURCHASING. 1 SECTION 1. Amends Kirkland Municipal Code (KMC) Section 2 3.85.020 updating the definitions related to purchasing. 3 SECTION 2. Amends KMC Section 3.85.030 related to 4 5 administrative responsibility of City purchasing. 6 7 SECTION 3. Amends KMC Section 3.85.040 related to City 8 procurement standards. 9 10 SECTION 4. Amends KMC Section 3.85.070 related to City 11 procurement methods. 12 SECTION 5. Amends KMC Section 3.85.080 related to small 13 14 purchase procedures. 15 16 SECTION 6. Amends KMC Section 3.85.085 related to public 17 work bidding requirements. 18 19 SECTION 7. Amends KMC Section 3.85.090 related to the 20 procedures for invitations for bids and requests for proposals. 21 22 SECTION 8. Amends KMC Section 3.85.090 related to the 23 public works bid invitation, acceptance, and evaluation procedures. 24 25 SECTION 9. Adds a new KMC Section 3.85.105 related to the 26 goods and services bid invitation, acceptance, and evaluation process. 27 28 SECTION 10. Amends KMC Section 3.85.110 related to the 29 process for using a request for proposal or request for qualifications. 30 31 SECTION 11. Amends KMC Section 3.85.130 related to the 32 procedures for requests for proposals and requests for qualifications. 33 34 SECTION 12. Amends KMC Section 3.85.160 related to the 35 application of the chapter. 36 37 SECTION 13. Amends KMC Section 3.85.170 related to the 38 small works roster process. 39 40 SECTION 14. Amends KMC Section 3.85.180 related to 41 cooperative purchasing. 42 43 SECTION 15. Amends KMC Section 3.85.190 related to 44 purchases made from or through the United States government. 45

SECTION 16. Adds a new KMC Section 3.85.195 related to performance-based contracts for water conservation, solid waste reduction, and energy equipment and services.

SECTION 17. Amends KMC Section 3.85.200 related to purchases of electronic data processing and telecommunications systems.

SECTION 18. Amends KMC Section 3.85.210 related to the waiver of competitive bidding requirements.

SECTION 19. Amends KMC Section 3.85.220 related to contract amendments and change orders.

SECTION 20. Amends KMC Section 3.85.230 related to public works contracts bonding policy.

SECTION 21. Amends KMC Section 3.85.260 related to procurement of compost products.

SECTION 22. Provides a severability clause for the ordinance.

SECTION 23. Authorizes publication of the ordinance by summary pursuant to KMC 1.08.017 and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 5th day of March, 2024.

I certify that the foregoing is a summary of Ordinance O-4861 approved by the Kirkland City Council for summary publication.

Kathi Anderson, City Clerk