#### ORDINANCE NO. 4111

# AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO PURCHASING.

The City Council of the City of Kirkland do ordain as follows:

<u>Section 1</u>. Section 3.16.065 of the Kirkland Municipal Code is hereby amended to read as follows:

## 3.16.065 Authority to sign agreements.

- (a) Interlocal Agreements. The city manager or the director of finance is authorized to execute on behalf of the city an agreement that is made pursuant to the Interlocal Cooperation Act (see Chapter 39.34 RCW). A department director may, on behalf of the city as the delegate of the city manager, enter into an interlocal agreement so long as such agreement either imposes no financial obligation on the city or the contract is for less than twenty thousand dollars. The person who signs an interlocal agreement shall ensure that it is delivered to the city clerk's office in order that the interlocal agreement will be recorded for purposes of RCW 39.34.040.
- (b) Professional Services Agreements. The city manager or the director of finance designee is authorized to execute on behalf of the city an agreement for professional services. A department director may enter into a professional services agreement so long as such agreement does not impose a financial obligation on the city in excess of the amount set forth in Section 3.85.080 of this code of twenty thousand dollars or more.
- (c) The authority delegated by this section is supplemental to the authority provided under Chapter 3.85 of this code. In case of specific conflict, the provisions of Chapter 3.85 will prevail.

<u>Section 2</u>. Section 3.85.080 of the Kirkland Municipal Code is hereby amended to read as follows:

#### 3.85.080 Small Purchase

- (a) Small purchase procedures shall be used for purchases of goods, services and multi craft or trade public works when it is expected the total price will not exceed fifty thousand dollars (thirty thousand dollars for single craft or trade public works), including sales tax and freight, except as otherwise allowed in 3.85.190 and 3.85.200. Procurement requirements shall not be artificially divided so as to constitute a small purchase under this section. The director of the department making these purchases is authorized to make such purchases without further approval if the total price will not exceed fifty thousand so long as done in compliance with the procedures herein outlined. All purchases of fifty thousand or more shall be signed by the City Manager or designee.
- (b) For goods and services, price quotations shall be obtained and documented from at least three (3) sources, where possible, if the total price is

expected to be between seven thousand five hundred dollars and fifty thousand dollars including sales tax and freight, except as otherwise allowed in this chapter. All awards to other than the lowest responsible bidder must be documented on the quote sheet with selection rationale clearly defined. For goods and non-public work services under seven thousand five hundred dollars, formally documented price quotations shall be unnecessary but it is expected that competitive pricing shall be sought in the best interests of the City.

- (c) For public works projects that are street signalization or street lighting, under thirty thousand dollars involving a single craft or trade, or under fifty thousand dollars if involving multiple crafts or trades, three written quotations must generally be obtained. The Small Works/Limited Public Works process is recommended for obtaining quotes.
  - 1) If it is necessary or advisable that public works projects that are street signalization, street lighting, under thirty thousand dollars for a single craft or trade or under fifty thousand dollars for multiple crafts or trades, should be done without obtaining competitive quotes, the appropriate director or designee may waive in writing the requirement of obtaining quotes.
  - 2) For any public work which is not competitively bid and where the cost is estimated to exceed 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 15 days before beginning work.
- (d) 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.
- (e) 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.
- (f) 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.

<u>Section 3.85.230 of the Kirkland Municipal Code is hereby</u> amended to read as follows:

of

day

## 3.85.230 Bonding Policy

- (a) For all public works contracts, the following minimum bonding requirements shall be met for each procurement.
- 1) A bid deposit in the form of a bid bond or certified check in an amount equal to at least five percent of the total bid must be enclosed with the submitted sealed bid if the bid is in excess of fifty thousand dollars.
- 2) A performance and payment bond for 100 percent of the total contract price shall be received from the successful contractor prior to contract award for all contracts in excess of thirty-five thousand dollars.
- (b) On public works contracts of twenty-five thirty-five thousand dollars or less, at the option of the contractor, the City may, in lieu of a performance and payment bond, retain fifty percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the Department of Revenue and settlement of any liens fixed under RCW 60.28, whichever is later.
- (c) If the limited public works process allowed under KMC 3.85.170(c) is used, the city may waive the requirements for performance and payment bond and retainage.
- (d) The Purchasing Agent, in consultation with the project manager, City Attorney's Office and Risk Management Coordinator as needed, shall have authority to determine amounts of protective bid guarantees for all purchases in the best interests of the City.

<u>Section 4</u>. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this <u>4th</u> day of <u>September</u>, 2007.

Signed in authentication thereof this <u>4+h</u>
<u>September</u>, 2007.

MAYOR

Attest:

Approved as to Form:

City Attorney