

**CITY OF WOODINVILLE, WASHINGTON**

**RESOLUTION NO. 185**

**A RESOLUTION OF THE CITY COUNCIL OF THE  
CITY OF WOODINVILLE, WASHINGTON,  
ADOPTING FINANCIAL MANAGEMENT POLICIES  
AND REPEALING RESOLUTION NO. 54.**

**WHEREAS**, the City Council finds it in the best interest of the citizens to establish policies to ensure the financial stability of the City; and

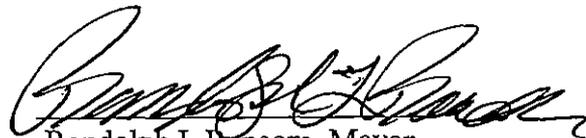
**WHEREAS**, the Finance Committee of the City of Woodinville has presented the Purchasing Policies to the City Council; and

**WHEREAS**, the City Council will regularly review existing policies and establish additional policies to promote fiscal responsibility and the efficient transaction of City business; Now, Therefore

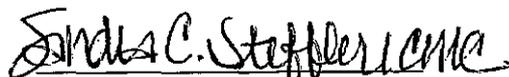
**THE CITY COUNCIL OF THE CITY OF WOODINVILLE,  
WASHINGTON, DOES RESOLVE AS FOLLOWS:**

Section 1. The City hereby adopts the policies (Attachment A) as the Purchasing Policies of the City of Woodinville.

ADOPTED by the City Council this 6th day of November, 2000.

  
Randolph L. Ransom, Mayor

ATTEST:

  
Sandra C. Steffler/CMC  
City Clerk



# City of Woodinville Purchasing Policies

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# Purchasing Policies

## I. General Requirements

1. Department heads shall assure that appropriations are sufficient to acquire the goods or services.
2. City employees shall strive to obtain the most cost-effective prices for the City, and shall consider all aspects of purchasing in acquisition decisions.
3. Purchases, which exceed \$250, will require a completed purchase order form.
4. Employees are encouraged to obtain price quotes from more than one vendor whenever practical. For purchases of materials, supplies, and equipment, which exceed \$500, a minimum of three quotes shall be obtained, unless the items are from a sole source vendor.
5. All purchase orders issued which involve multiple departments should have the approval of all participating departments prior to issuance.
6. With approval of the City Manager, an open purchase order (open account) of up to \$3,000 may be authorized to selected vendors. Receipts shall be obtained and shall be submitted with the proper BARS account number, to the finance department within one day of the purchase.
7. With approval of the City Manager, a credit card for selected vendors and uses (e.g. discount wholesale clubs like Office Club, Egghead Software) may be authorized and exempted from completing the requisition and purchase order form prior to the purchase, provided the receipts for said purchases are submitted to the finance department the next business day.
8. With prior approval of the department head, an employee may personally pay for an approved purchase, and then seek reimbursement through an expense voucher.
9. All invoices received pursuant to this policy shall be approved for payment by the affected department head(s), or their designee, on either the invoice itself or on the City voucher.
10. For major purchases, the finance department shall review the purchase order for reasonableness of purchase. Questions may be directed to the department head or City Manager. The City Manager will decide all unresolved issues, and may choose to take any proposed purchase for goods or services to Council for discussion and/or approval pursuant to RCW 35A.13.080.

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### City of Woodinville - PURCHASING POLICIES

11. Purchases, which would result in line item cost overruns, will be allowed if a line item within the same department has funds available to cover the expense. The department head must fill out the prescribed form, and submit to the Finance Department. Expenditures requested in excess of a department's adopted budget must be approved by the City Manager. Expenditures in excess of an adopted fund amount will be approved by the City Council by an amending Ordinance.
12. A Petty Cash fund shall be established for the control and use of petty cash for minor purchases for the city.

## **II. Special Requirements: Public Works Improvements**

1. All projects require approval of the City Manager.
2. All projects, except those performed under an interlocal agreement, require a purchase order and a contract.
3. Projects exceeding the following limits must be competitively bid in accordance with the procedures prescribed by RCW 35.23.352:
  - a. \$30,000 - for projects requiring multiple crafts or trades.
  - b. \$20,000 - for single craft projects or those involving signalization or street lighting.
4. Projects, which exceed \$20,000, require Council to award bid.
5. The City may use small works roster procedures for construction of a public work or improvement, as an alternative to ("in lieu of") general competitive bidding requirements, when the contract amount does not exceed \$200,000. A small works roster lists contractors who have requested placement on the roster and who, where required, are properly licensed or registered to perform work in this state.
6. Bidding requirements may be waived for projects during a declared emergency (RCW35.22.620).
7. Bidding requirements may be waived by resolution if the purchase is limited to a single source or supply in the near vicinity, or if the services are subject to special market conditions (RCW 35.23.352(9)).
8. Bidding requirements may be waived for purchases which do not exceed \$200,000 from vendors on the Office of State Procurement list (RCW 39.34).

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### **City of Woodinville - PURCHASING POLICIES**

9. Projects performed pursuant to an interlocal agreement are exempt from bidding requirements and do not require a separate contract (RCW 39.34), but are subject to the limits established by the agreement. Requests for discretionary services, which exceed \$500, must be executed by the Department Director.

### **III. Special Requirements: Purchases of Supplies, Materials, and Equipment**

1. Requisition forms are required for purchases, which do not exceed \$250.
2. Completed purchase order forms, signed by the department director are required for purchases, which exceed \$250.
3. Purchases of supplies, materials and equipment, which do not exceed \$500, may be made by authorized employees as designated by the department head.
4. Purchases of supplies, materials and equipment, which exceed \$500, require a minimum of three quotes unless items are from a sole source vendor (RCW 35.23.352(9)), or the vendor has a contract with the Office of State Procurement (RCW 39.34.030).
5. Purchases between \$500 and \$7,500 require a minimum of three quotes, approval of the department director, and a purchase order signed by the City Manager.
6. Purchases, which exceed \$7,500 require competitive bid unless the Vendor List is used (RCW 39.04.190).
7. Purchases between \$7,500 and \$15,000 off the Vendor List require a minimum of three quotes, and a purchase order signed by the department director and City Manager.
8. Purchases of materials, supplies, and equipment, which exceed \$15,000, must be bid competitively per RCW 35.23.352.
9. Purchases, which exceed \$20,000, require Council to award bid.
10. Bidding requirements may be waived for purchases, which do not exceed \$200,000 from vendors on the Office of State Procurement list (RCW 39.34).
11. Lease with an Option to Purchase: Competitive bidding is not required if the estimated cost does not exceed \$7,500 subject to debt limits (RCW 35.42.210).
12. Open purchase orders are issued on a periodic basis through the finance department. The open purchase order shall be valid for the length of time, single purchase limit, and cumulative amount specified on the purchase order.

#### **IV. Special Requirements: Contracts for Professional Services other than Architecture and Engineering.**

1. All contracts for services require approval of the City Manager, but are not required to seek competitive bids, except for provision of an official newspaper which must be called for annually (RCW 35.23.352(7)).
2. Contracts for services, which do not exceed \$500, require a purchase order signed by the Department Director and approved by the City Manager.
3. Contracts for services between \$500 and \$2,500 require a purchase order signed by the City Manager and a Service Agreement signed by the Department Director.
4. Contracts for services between \$2,500 and \$20,000 require a purchase order and professional services contract, signed by the City Manager.
5. Contracts for services, which exceed \$20,000, require a purchase order signed by the City Manager and a contract approved by the City Council.
6. Contracts for services should not exceed two years except for on-going services that are not task-specific may exceed two years but tasks, when identified, will be individually approved by the Department Director and authorized by the City Manager.
7. On-going contracts for services may be renewed in one-year increments, provided that there is a review of the contract form and requirements, the fee schedule remains competitive and the quality of services remains competitive. A new contract will be required after five years.

#### **V. Special Requirements for Architecture and Engineering Services**

1. All contracts for architecture and engineering services require approval of the City Manager.
2. All professional architecture and engineering services, except those performed under an interlocal agency agreement require a purchase order and a contract.
3. Contracts for services, which do not exceed \$500, require a purchase order signed by the Department Director and approved by the City Manager.
4. Contracts for services between \$500 and \$2,500 require a purchase order signed by the City Manager and a Service Agreement signed by the Department Director.
5. Contracts for services between \$2,500 and \$20,000 require a purchase order and professional services contract, signed by the City Manager.
6. Contracts for services, which exceed \$20,000, require a purchase order signed by the City Manager and a contract approved by the City Council.

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#### **City of Woodinville - PURCHASING POLICIES**

7. Services performed pursuant to an interlocal agreement are exempt from bidding requirements and do not require a separate contract (RCW 39.34). Requests for discretionary services, which exceed \$500, must be executed by the Department Director.
  
8. Procurement of architecture and engineering services shall be in accordance with RCW 39.80.010-060. The statute requires advance publication of the requirement for architecture and engineering services (RCW 39.80.030). This requirement may be met by reviewing the Statement of Qualifications (SOQ) submitted by firms in response to the City's annual publication, or by requesting proposals (RFP) from qualified firms.
  - a. A department needing architecture or engineering services shall evaluate the SOQ's and/or RFP's and shall conduct discussions with one or more firms regarding the project.
  - b. The department shall establish selection criteria, and based on the criteria select the firm "most highly qualified" to provide the service. After the most qualified firm has been chosen, the department may negotiate a contract for the service at a price which the department determines is fair and reasonable, considering the estimated value of the services, as well as the scope and complexity of the project (RCW 39.80.040).
  - c. If a satisfactory contract cannot be negotiated, the department shall formally terminate the negotiations with that firm and attempt to negotiate a contract with the next most qualified firm (RCW 39.80.050).
  - d. If the department chooses to negotiate with only one firm off the SOQ list, a memo outlining the selection criteria and reasons for only considering one firm shall be forwarded to the City Manager and placed in the project file.
  
9. If the City declares an emergency, the requirements of Chapter 39.80 RCW may be waived.