

AN ORDINANCE OF THE CITY OF BELLINGHAM PERTAINING TO PUBLIC BIDDING AND CONTRACTING AND AMENDING PORTIONS OF MUNICIPAL CODE CHAPTER 4.80.

WHEREAS the Bellingham Municipal Code contains provisions regulating the bidding for and purchasing of services, supplies, materials and equipment and the contracting for public work; and,

WHEREAS certain procedures and monetary limits in these regulations, some adopted as long ago as 1980, are unreasonably restrictive in light of today's economy; and,

WHEREAS the result is to require more paperwork and process than is necessary to safeguard the City's interest in this respect; and,

WHEREAS a task force of various City departments, including the Finance Department and specifically the Purchasing Manger, has recommended the following revisions in bidding and contracting practices; and,

WHEREAS it is in the best interest of the City to adopt such recommendations,

NOW, THEREFORE, IT IS HEREBY ORDAINED that Bellingham Municipal Code chapter 4.80 be and hereby is amended to read as follows:

**4.80.010 Bidding Requirements Generally.**

- A. Any purchase of supplies, material, or equipment, except for public work or improvement, where the cost thereof exceeds \$20,000 shall be made upon call for bids; provided, that for purchases of \$20,000 or less procedures shall be developed for obtaining a reasonable number of written or faxed price quotes.
- B. Any public work or improvement (including supplies, material and equipment in connection therewith) shall be made upon call for bids when the cost thereof exceeds \$20,000 if only a single craft or trade is involved, and \$35,000 if more than one craft or trade is involved.
- C. Any materials purchased which will become a fundamental part of a public works project need not go through a formal bid process unless the cost of those materials is expected to exceed \$20,000 or \$35,000, as the case may be, or the cost of the materials plus the cost of labor for city employees to complete that portion of the work directly related to the purchase is expected to exceed \$20,000 or \$35,000, as the case may be. Equipment or materials purchased for stock to be subsequently installed shall not be included in determining the dollar amount.
- D. As an alternative to subsection B, above, for public works or improvements of \$100,000 or less

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there may be established one or more "small works rosters" to be used in lieu of formal sealed bidding, as follows:

- (1) There may be created small works rosters for one or more categories of work and for one or more dollar thresholds.
- (2) Each roster shall consist of all responsible contractors who have requested to be on the list and who are properly licensed or registered to perform such work.
- (3) At least twice a year, if practicable, the city shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster(s) and solicit the names of contractors for such roster(s).
- (4) There shall be established a procedure for securing written or faxed price quotes from contractors on a roster, and the contract shall be awarded to the lowest responsible bidder.
- (5) Invitations for price quotes shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. Detailed plans and specifications do not need to be included; however, this does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.
- (6) Whenever possible at least five contractors shall be invited to submit bids. If there are not five contractors available or remaining on the roster, quotes may be requested from fewer than five or from contractors from which quotes have been previously obtained.
- (7) A contract awarded pursuant to the small works process need not be advertised; however, immediately after the award is made, the quotations shall be open to public inspection and available by telephone inquiry.

E. "Public work" as used herein means all work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the city.

F. The following shall be exempt from the formal bid process:

- (1) Consultant service, professional service, and personal service contracts; provided, informal solicitation of proposals shall be undertaken to insure competitive prices
- (2) Where patents require the procurement of a particular brand to insure compatibility with existing equipment and the prices for such item are fixed;
- (3) Where, after due inquiry, the purchasing manager determines that a sole source of supply exists, thereby rendering the bidding process futile; provided, the purchasing manager shall append to the requisition a statement setting forth the facts which verify the conclusion that a single source of supply exists;
- (4) Where formal bids have been solicited and no response is received;
- (5) Emergency expenditures first authorized by resolution of the City Council; provided, if the emergency is of such urgency so as to preclude the delay, the requirement of the resolution shall be

waived;

(6) Purchases of items for which the State Department of Purchasing or other governmental entity has established a price by the solicitation of bids and which have been authorized for use by municipalities.

**4.80.040 Obligations Of Vendor In Submitting Bids.**

In the case of public works contracts, other than those entered into pursuant to the small works roster process, bids filed shall be accompanied with a certified check, cash, cashiers check or bid bond payable to the city in an amount of five percent of the estimated cost of the work. If a bid is accepted, then all checks or bid bonds shall be returned to the bidders, except that of the accepted bidder, which shall be retained until a contract is entered into. If the bidder fails to enter into such contract in accordance with his or her bid within twenty days from the date upon which he or she is notified that he or she is the successful bidder, the check, cash or bond shall be forfeited to the city, to the credit of the fund from which the contract was to be paid.

**4.80.050 Vendor -- Qualifications.**

Any person bidding on contracts for provision of work, services, or materials, supplies or equipment to the city may be required to submit to the city , upon demand and prior to the award of contract, satisfactory evidence that he or she has sufficient means, plans, equipment, and experience to undertake and successfully complete the contract.

**4.80.100 Purchase Orders Required -- Liabilities In Excess of Appropriation.**

A. City employees or agents are prohibited from ordering goods or services on behalf of the city until a purchase order has been issued, unless specifically exempt pursuant to this section. Items exempt from the purchase order requirement are:

1. Travel expenses;
2. Petty cash expenses;
3. Certain payments under contracts for which purchase orders are not customarily issued, including but not limited to:
  - a. Insurance contracts,
  - b. Labor agreements,
  - c. Utilities, and
  - d. Agreements which do not obligate the city to pay monetary consideration.
4. Purchases of \$500 or less.

B. Liabilities incurred by any department in excess of any budget appropriations for the current year shall not be a liability of the city. The City shall approve no claim nor issue a check for an expenditure

in excess of budget appropriations except upon an order of a court of competent jurisdiction, specific authorization therefor by the City Council, or except for emergencies when such emergency has been provided for in the manner provided by law.

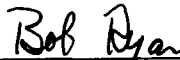
**4.80.110 Execution Of Contracts.**

A formal written contract, signed by the mayor and attested by the finance director, shall be required as follows:

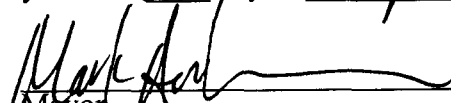
- (1) For purchases of supplies, material or equipment in excess of \$20,000;
- (2) For public works or improvements where the cost thereof exceeds \$2,500;
- (3) For contracts for services in excess of \$5,000.


In all other cases, a document (on a form acceptable to the city) representing the terms of agreement between the contractor or vendor and the city shall be executed by the contractor or vendor and the head of the department for whom the work is being performed. The mayor and finance director are hereby authorized to delegate to such department head authority sign such document. Such document shall be accompanied by an insurance certificate naming the city as an additional insured.

PASSED by the Council this 20th day of April, 1998.

  
\_\_\_\_\_  
Council President

APPROVED by me this 27th day of April, 1998.

  
\_\_\_\_\_  
Mayor

ATTEST:   
\_\_\_\_\_  
Finance Director

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Office of the City Attorney

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CITY OF BELLINGHAM, WASHINGTON

ORDINANCE NUMBER:

1998-04-016

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cc: Tom Rosenburg - PWA

cc: Kerry - legal

cc: Paula - Council

cc: Linda - Muri Court

cc: MRSC