

VOUCHERS 101

With every purchase there is a process to ensure the policies of the City of SeaTac, as well as any State requirements, have been met prior to any vendor payments being made. The Budget is adopted and is the purchasing plan for every department within the City. When incurring costs related to the budget for services, materials, etc., departments need to follow the City's adopted purchasing system policies. The department head/authorized signer approves the invoice stating they have adhered to all of the guidelines in place to ensure that this invoice/contract/agreement is a true and just claim that the City is obligated to pay for goods and/or services provided. Once the Finance Department has received this approved and signed invoice for payment, it is included in the next payable cycle. Our Accounts Payable Cycle coincides with the Payroll Cycle which is the 5th & 20th of every month. The City has found this timing cycle works most efficient for everyone.

Before the checks have been mailed out, the vouchers are pre-audited and signed by the auditing officer. The Auditor officer(s) are separately bonded as part of this fiduciary role for the City. The guidelines for Voucher certification and Approval are 3.8.5 of the State Budgeting Accounting and Reporting System (BARS) manual. (Attachment 1)

The mailing of the checks prior to the legislative body approving the claim is addressed in section 3.8.5.50 (Attachment 1). There are 4 components that need to be addressed to be able to make payments prior to approval. The City passed Resolution #07-014 (Attachment 3) on July 24, 2007 to be in compliance with RCW 42.24.180 (Attachment 4) that is referenced in the BARS manual section 3.8.5.50.

The City of SeaTac Purchasing system can be found in the SeaTac Municipal Code in Chapter 3.31. (Attachment 2) As stated in Section 3.31.010 Purpose, objective and scope A., the purpose of this chapter is to delegate authority for the purchase or lease of material, equipment services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government.

Section B of Chapter 3.31 addresses the objectives of the City's purchasing system.

They are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment and services in an efficient and timely manner;
2. To facilitate responsibility and accountability with the use of City resources;
3. To ensure equal opportunity and competition among suppliers and contractors;
4. To promote effective relationships and clear communication between the City and its suppliers and contractors;
5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;
6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment in accordance with other provision of the Municipal Code and City policies.

FAQ'S:

1. Timing of payments?
 - A. Avoidance of penalties/late fees
 - B. More timely payment for services/goods already rendered (efficiency)
 - C. Real Estate related payments (closing docs, recording fees, etc.)

2. How do we ensure that the policies are being followed?
 - A. Any City Employee that is authorized to make purchases, is required to follow the purchasing policies as well as their adopted budget that was approved by Council.
 - B. Also, the State Auditor comes in once a year to audit and verify the appropriate processes are being followed as part of their Annual Accountability Audit. This audit report is publicly available at the SAO office website.

3. Who are the approved signers?
 - A. The Finance department has a list of approved signers for each department on file with their signature. The State Auditor's office uses this document to verify payment authorizations.

4. Who are the City's designated Auditing Officers that are bonded per BARS 3.8.5.50?
 - A. Finance & Systems Director (officer designated to sign checks)
 - B. Asst Fin Director (currently vacant, additional auditing officer, backup to sign checks)
 - C. Treasury Operations Manager (auditing officer)

5. What is Council's role in approving claims that have already been certified and paid?
 - A. If Council denies a claims that is already certified as true and just, this is direction to staff to pursue collections and may expose City to risk if contractual obligations are not being met with non-payment.

ATTACHMENT 1

3. ACCOUNTING

3.8 Expenditures

3.8.5 Voucher Certification and Approval¹

3.8.5.10 All claims against a municipality must be preaudited by the auditing officer of the municipality or his/her delegate. In addition, all claims must be certified by the auditing officer. This certification may be made on each individual claim voucher or, subject to the acceptance and approval of the municipal legislative body, a blanket voucher certification may be used so long as it indicates the particular vouchers so certified. The use of a blanket certification in no way relieves the auditing officer of his/her responsibility and liability for each individual voucher so certified. The certification is required regardless how the transaction is processed (i.e., through warrants, checks, EFTs, etc.). The certification must be signed and dated by the auditing officer or his/her delegate. For all claims, except expense reimbursement claims certified by officers or employees (see Employee Travel), the certification must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to authenticate and certify to said claim.

3.8.5.20 The auditing officer's certification for employee/officer expense reimbursement claims must include the following language:

I, the undersigned, do hereby certify under penalty of perjury that the claim is a just, due and unpaid obligation against the (city/county/district), and that I am authorized to certify to said claim.

3.8.5.30 The certification by the auditing officer in no manner relieves members of the governing body from the responsibility and liability for each voucher approved. It is the governing body's responsibility to ensure that the system of auditing and certifying vouchers is operating in a manner to provide the greatest possible protection for the governing body members and the municipality.

3.8.5.40 To indicate governing body approval for payment of claim vouchers and payroll, the following should be entered in the minutes:

The following voucher/warrants/electronic payments are approved for payment:

(Funds)			Total
Voucher (warrant)			
numbers:	_____	through	\$ _____
Payroll warrant			
numbers:	_____	through	\$ _____

¹ Chapter 42.24 RCW

Electronic payments

dates: _____ through _____ \$ _____

- 3.8.5.50 If the legislative body authorizes the procedure, cities, counties and districts may issue warrants, checks or electronic payments before the legislative body approves claims. To do this the municipality must enact the following policies and procedures (required in Chapter 42.24 RCW):
1. The auditing officer and the officer designated to sign the checks, warrants or initiate an electronic payment must have an official bond. The amount should be determined by the legislative body but cannot be less than fifty thousand dollars (RCW 42.24.180);
 2. The legislative body should adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control; for electronic payments, the legislative body should adopt information technology policies that implement effective internal control over technology used to initiate and approve electronic payments.
 3. The legislative body must review and approve the claims paid at its next regularly scheduled public meeting, or for cities and towns, at a regularly scheduled public meeting within one month from issuance; and
 4. If the legislative body disapproves some claims, the auditing officer and the officer designated to sign the checks, warrants or initiate the electronic payment must recognize these claims as receivables of the taxing district and pursue collection diligently until the amounts are either collected or the legislative body is satisfied and approves the claims.
- 3.8.5.60 The legislative body may stipulate that certain kinds or amounts of claims should not be paid before the board has reviewed the supporting documentation and approved the issue of checks, warrants or electronic payments in payment of those claims.
- 3.8.5.70 The original copy of all vouchers should be filed in the office of the auditing officer of the municipality. The detailed accounts to which the expenditures are to be posted must be clearly designated. Supporting documentation must be retained and either attached to the vouchers or canceled by the auditing officer to prevent reuse. See Original Supporting Documentation for information regarding original supporting documentation.
- 3.8.5.80 Districts that do not issue their own warrants should send either original vouchers or other supporting documentation (e.g., listing of approved vouchers, etc.) to the county auditor.

ATTACHMENT 2

Chapter 3.30

PURCHASING SYSTEM

(Repealed by Ord. 09-1011)

Chapter 3.31

PURCHASING SYSTEM

Sections:

- 3.31.010 Purpose, objective, and scope.**
- 3.31.020 Definitions.**
- 3.31.030 Purchasing and contracting – City manager responsibilities.**
- 3.31.040 Determining total purchase cost.**
- 3.31.050 Cost threshold – Contract approval levels and contract amendments.**
- 3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.**
- 3.31.070 Procedure for professional services contracts.**
- 3.31.080 Procedures for architectural, engineering, and design services.**
- 3.31.090 Procedures for public works.**
- 3.31.100 Competitive bidding procedures for public works projects.**
- 3.31.110 Emergency purchases.**
- 3.31.120 Sole source and special market conditions.**
- 3.31.130 Electronic data processing and telecommunications systems.**
- 3.31.140 Final acceptance.**
- 3.31.150 Intergovernmental cooperative purchasing.**
- 3.31.160 Compliance.**
- 3.31.170 Third party contracts.**
- 3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].**
- 3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.**

3.31.010

3.31.010 Purpose, objective, and scope.

A. The purpose of this chapter is to delegate authority for the purchase or lease of material, equipment, services and supplies to the City Manager, as City Purchasing Agent. This chapter is intended to direct the purchase of goods and services at a reasonable cost. An open, fair, documented, and competitive process is to be used whenever reasonable and possible. The purchasing function's integrity, efficiency, and effectiveness are critical elements of sound government.

B. The objectives of the City's purchasing system are as follows:

1. To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner;

2. To facilitate responsibility and accountability with the use of City resources;

3. To ensure equal opportunity and competition among suppliers and contractors;

4. To promote effective relationships and clear communication between the City and its suppliers and contractors;

5. To comply with the comprehensive State statutes which govern expenditures of public funds and public contracting;

6. To promote use of recycled materials and products, and dispose of surplus and scrap materials with regards to cost savings and the environment, in accordance with other provisions of the Municipal Code and City policies.

C. This chapter does not apply to the acquisition, sale, or lease of real property.

D. If grant funding is involved in the proposed purchase or project, any additional requirements should be obtained from the funding agency. Such requirements may be more restrictive than the requirements of this chapter. However, it is the intent of this chapter to complement any requirements of funding agencies.

E. All purchases shall comply with appropriate and relevant Federal, State, and City laws and policies. If the appropriate and relevant Federal or State laws, regulations, grants, or requirements are more restrictive than these guidelines, such laws, regulations, grants, or requirements should be followed. Further-

more, the City Attorney should be consulted when questions regarding potential conflicts arise. (Ord. 09-1011 § 1 (part))

3.31.020 Definitions.

As used in this chapter, the following terms shall have the following meaning:

A. "Appropriation" means City Council budgeting to expend funds for a specific purpose.

B. "Bid" means an offer to perform a contract to sell, lease or supply material, equipment, services or supplies in response to a formal solicitation.

C. "Bid security" means a bond or deposit submitted with a bid, for a sum not less than five percent (5%) of the bid amount (including sales tax). A bid security is designed to help ensure that a bid has been made in good faith and that the bidder will enter into a contract if a bid is accepted.

D. "Bidder" means a person or legal entity who submits a bid.

E. "Change order" means written modification or addition to a purchase order or contract authorized by the appropriate authority.

F. "City Purchasing Agent" is the person who is charged with procurement of all supplies, materials, equipment and services for the City.

G. "Competitive bidding" means the submission of prices by individuals or firms competing for a contract, privilege, or right to supply merchandise or services.

H. "Description" means identifying information distinctly and plainly set forth and sufficiently portrayed and explained to ensure that the product or service under consideration is uniquely identified.

I. "Emergency" means unforeseen circumstances beyond the City's control that present a real, immediate threat to the proper performance of essential functions, or that will likely result in material loss to property, bodily injury, or loss of life if immediate action is not taken.

J. "Emergency purchase" means a purchase made in response to unforeseen circumstances beyond the control of the City which presents a real, immediate and material threat to the public interests or property of the City.

K. An "equal" is material, equipment or supplies which equal or exceed the quality, performance and usefulness of the brand, model or specifications designated as the standard.

L. An "informality" or "irregularity" is one which is merely a matter of form or is some immaterial variation from the exact requirements of the invitation for bids, having no effect or merely a trivial or negligible effect on quality, quantity, or delivery of the supplies or performance of the services being procured, and the correction or waiver of which would not affect the relative standing of or be otherwise prejudicial to bidders.

M. "Invitation to bid" means the procedure used in the competitive bidding procedures.

N. "Lowest bidder" means the bidder submitting the lowest price. See "responsive bidder" and "responsible bidder."

O. "Prevailing wages" means the hourly wages, usual benefits, and overtime paid in the largest city in each county to the majority of workers, laborers, and mechanics. Prevailing wages are established by the Washington State Department of Labor and Industries for each trade and occupation employed in the performance of public work.

P. "Professional services" means services which provide professional or technical expertise from a corporation, firm, agency, individual or group of individuals who, for a fee, accomplish a specific study, project, task, or other work statement. Examples include, but are not limited to: accounting and auditing, bond or insurance brokerage, financial or administrative studies, feasibility studies, special project management for a defined period of time or result, consulting services, legal services, real estate appraisal or title abstracts, surveying, soils analysis or core testing.

Q. "Purchase" includes leasing or renting.

R. "Request for quotation" means the procedure used when soliciting quotations.

S. "Responsible bidder" or "responsible vendor" means a person or legal entity who has the capability in all respects to perform in full the contract requirements, and the integrity and reliability which will assure good faith performance.

T. "Responsive bidder" or "responsive vendor" means a person or legal entity who has submitted a bid conforming in all material respects to the terms and conditions, specifications, and other requirements in a request or invitation for bids.

U. "Sealed bid" means a bid which has been submitted in a sealed envelope to prevent its contents from being revealed before the deadline for the submission of all bids. A sealed bid cannot be delivered to the City via electronic means (such as fax or email).

V. "Specification" means the explicit requirements furnished with an invitation to bid or request for quotation upon which a purchase or contract is to be based. Specifications set forth the characteristics of the equipment, material, supplies or services to be purchased to enable the bidder or vendor to determine and understand what is to be supplied. This information may be either in terms of physical characteristics or performance requirements or both.

W. "Vendor" means the supplier of goods or services, or both. (Ord. 09-1011 § 1 (part))

3.31.030 Purchasing and contracting – City manager responsibilities.

The City Manager may delegate the authority and responsibilities of the specific purchases and contracts to any appropriate member of the City staff. (Ord. 09-1011 § 1 (part))

3.31.040 Determining total purchase cost.

A. Use Anticipated Cost. The anticipated annual need for a good or service (when it can reasonably be projected) shall be used to determine the cost of that good or service, and thus which contract approval level, cost threshold, and other related purchasing requirements apply.

3.31.050

B. No "Bid Splitting." Requirements shall not be divided in order to come up with a lower total cost that avoids contract approval levels or competition requirements. If one (1) item being purchased requires another item to "make a whole," the total accumulated costs of the two (2) items should be considered together to determine which approval level and cost threshold apply.

C. Costs such as taxes, freight, and installation charges shall be included when determining which cost threshold applies. The value of a trade-in, when applicable, shall be considered to determine the lowest bid when competitive bidding is used.

D. Requirements for the total quantity of an item (when they can reasonably be projected) should be considered when determining which cost threshold and related purchasing requirements apply.

E. If a project is to be completed in phases, the total accumulated cost for all phases shall be used when determining which contract approval level applies. (Ord. 09-1011 § 1 (part))

3.31.050 Cost threshold – Contract approval levels and contract amendments.

A. The following approval levels are designed for all contracts and purchases. Contracts and purchases that require additional budget appropriations must be approved by the City Council, regardless of amount.

1. Contracts and purchases not exceeding fifty thousand dollars (\$50,000) may be approved by the City Manager or designee without City Council approval.

2. Contracts and purchases exceeding fifty thousand dollars (\$50,000) shall be presented to the City Council for approval.

B. The approval process for contract amendments, except contract amendments for public works, is set forth in this subsection.

1. The City Manager may execute an amendment without City Council approval; provided, that the amendment:

a. Extends the time of completion for a project. Such an extension can be for up to six (6) months; and/or

b. Provides for a cost increase that does not exceed ten percent (10%) of the original contract cost or fifty thousand dollars (\$50,000), whichever is less, and such cost increase does not require additional budget appropriations; or

c. The total value of the contract does not exceed fifty thousand dollars (\$50,000) after the cost increase.

C. The approval process for amendments to public works contracts exceeding fifty thousand dollars (\$50,000) in value (including change orders) is set forth in this subsection.

1. The City Manager or designee may execute an amendment to a public works contract, including change orders, without City Council approval; provided, that the amendment or change order does not increase the cost of the original contract amount beyond any contingency authorized by the City Council when the contract was awarded. (Ord. 12-1005 § 1; Ord. 09-1011 § 1 (part))

3.31.060 Purchasing procedures for supplies, equipment, nonprofessional services, and information services.

A. This section applies to purchases of supplies, equipment, nonprofessional services and information services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), contracting for professional services (which is addressed in SMC 3.31.070), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).

B. Purchases that do not exceed five thousand dollars (\$5,000) may be entered into through direct negotiation. Advertisement and competitive bidding is not required, although every effort shall be made to receive the best price possible.

C. For purchases exceeding five thousand dollars (\$5,000), but less than fifty thousand dollars (\$50,000), at least three (3) quotations shall be obtained. Quotations may be obtained by telephone or in writing (which includes electronic communications such as fax and email), and quotations shall be recorded and

available for public inspection. Advertisement is not required. The purchase shall be made from the responsible vendor providing the lowest quotation. When three (3) quotations cannot be obtained, the City Manager shall be so notified at the time that the purchase is submitted for approval in accordance with SMC 3.31.050.

D. For purchases exceeding fifty thousand dollars (\$50,000), but less than three hundred thousand dollars (\$300,000), formal competitive bids shall be obtained. Bids do not need to be sealed, but shall be in writing (which includes electronic communications such as fax and email). The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.

E. For purchases exceeding three hundred thousand dollars (\$300,000), competitive sealed bids shall be obtained. The competitive bidding procedures set forth in SMC 3.31.100 shall be followed.

F. RCW 39.30.045 allows for the purchase of any supplies or equipment at auctions rather than through competitive bidding, if the items can be obtained at a competitive price. Purchases of supplies or equipment may be acquired at auction, subject to the provisions of RCW 39.30.045 so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

G. RCW 39.33.010 allows for the purchase of surplus property from other governmental agencies. Surplus property may be acquired from other governmental agencies, subject to the provisions of RCW 39.33.010, so long as the City Council has authorized the expenditure of funds for the particular purchase as required in SMC 3.31.050.

H. RCW 39.04.080 authorizes one (1) public agency to contract with another public agency to perform any function which each agency is authorized by law to perform itself. Contracts with another public agency are authorized, subject to the provisions of RCW 39.04.080 so long as the City Council has authorized the expenditure of funds for said contract as required in SMC 3.31.050. (Ord. 12-1005 § 2; Ord. 09-1011 § 1 (part))

3.31.070 Procedure for professional services contracts.

A. This section applies to contracts for professional services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting of architectural, engineering, or design services (which is addressed in SMC 3.31.080).

B. A formal process is not required for the selection of vendors providing professional services. Furthermore, it is recognized that a formal professional services selection process may not be advantageous, based on the nature of the needed services, and the dollar value involved. Therefore, a process to select vendors for professional services contracts may be utilized that the City Manager deems appropriate, considering both the vendors' qualifications and the cost of the services being provided. Such process may include procedures set forth for selecting vendors for architectural, engineering, and design services.

C. The City Manager must be able to identify what, if any, selection process and/or criteria was used in selection of a vendor. For contracts subject to City Council approval, the City Council reserves the right to require additional selection processes to be followed, in order to ensure that the most highly qualified vendor is chosen to contract with the City. (Ord. 09-1011 § 1 (part))

3.31.080 Procedures for architectural, engineering, and design services.

A. This section applies to contracts for architectural, engineering, and design services. This section does not apply to the purchase of supplies or services that are considered to constitute a public work (which is addressed in SMC 3.31.090), purchase of supplies, equipment, nonprofessional services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070).

3.31.090

B. Chapter 39.80 RCW outlines the requirements for obtaining professional architectural or engineering services. The requirements outlined in Chapter 39.80 RCW as stated in this section, or as may be amended by the State Legislature, shall be followed.

C. Contracts for these services will be approved in accordance with the contract approval levels outlined in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.090 Procedures for public works.

A. This section applies to contracts for public works. This section does not apply to the contracting for architectural, engineering, and design services (which is addressed in SMC 3.31.080), purchase of supplies, equipment, nonprofessional services and information services (which is addressed in SMC 3.31.060), or the contracting for professional services (which is addressed in SMC 3.31.070). This section is not intended to conflict with State law.

B. As defined in RCW 39.04.010, public works include (but are not limited to) all work, construction, alteration, repair, or improvement (other than ordinary maintenance, engineering analysis, and design and other professional services) executed at the City's cost, or which is by law a lien or charge on any property therein.

C. Pursuant to RCW 35.22.620, the cost of a public works project is the costs of materials, supplies, equipment, and labor on the construction of that project.

D. For public works projects, the Purchasing Agent may use the small works roster procedures when applicable, as established by Council resolution.

E. Public works projects shall be awarded by use of competitive sealed bidding as provided in SMC 3.31.100 if the small works roster procedures are not used.

F. The City is required by RCW 39.12.040 to require contractors to pay prevailing wages on all public works contracts. A "statement of intent to pay prevailing wages" must be received from a contractor prior to the start of

any construction, and an "affidavit of wages paid" must be received following final acceptance of the work.

G. RCW 39.08.010 mandates that the City require a performance bond for every public works contract. The performance bond shall be received by the City within seven (7) calendar days of contract execution or prior to the start of any construction, whichever is earlier. The bond shall also be executed by a surety company authorized to do business in Washington State, in an amount equal to one hundred percent (100%) of the price specified in the contract.

1. For contracts of thirty-five thousand dollars (\$35,000) or less, the City may retain fifty percent (50%) of the contract for thirty (30) days after final acceptance, or until receipt of all necessary releases from the Department of Revenue and Department of Labor and Industries, and settlement of any liens filed under Chapter 60.28 RCW (whichever is later), in lieu of a performance bond. This requirement is at the option of the contractor.

2. For contracts being awarded under the limited small works roster process provided under RCW 39.04.155(3), the payment and performance bond requirements of Chapter 39.08 RCW may be waived.

H. In order for a bid to be considered responsive for public works contracts valued at over one million dollars (\$1,000,000), every bidder must submit (either with their bid or within one (1) hour of the bid submittal time) the names of all subcontractors that will be used for heating, ventilation and air conditioning, plumbing, and electrical work, pursuant to RCW 39.30.060. (Ord. 12-1005 § 3; Ord. 10-1007 § 1; Ord. 09-1011 § 1 (part))

3.31.100 Competitive bidding procedures for public works projects.

A. Public Notice. While State law does not contain any detailed requirements for public notice, good business practice calls for using a notification process that will reach the most contractors and allow enough time for responsive bids to be prepared. At a minimum, notice shall be published in the City's official newspaper at least twice, and each publication

shall be a minimum of five (5) days apart. Furthermore, the first notice shall be published at least thirteen (13) days prior to the last date upon which bids will be received, and the second notice shall occur at least seven (7) days prior to the last date upon which bids will be received. In addition to publication in the City's official newspaper, public works projects that exceed the maximum dollar amount for utilization of the small works roster must also be advertised in the Daily Journal of Commerce in the same manner as the City's official newspaper.

B. Submittal of Bids. Bids will be submitted as specified in the invitation for bid by the appointed date and time listed in the invitation. All bids must be filled out in ink or be typewritten and must be properly signed by an authorized representative of the vendor. All changes and/or erasures shall be initialed in ink. Unsigned bids shall be rejected. Each bid will be date and time stamped as it is received, and late bids will not be accepted. If a bid is a sealed bid, all qualified bids will be opened and read aloud publicly at the appointed time.

C. Cancellation. An invitation for bids may be cancelled.

D. Award. The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids.

E. No City representative shall inform a vendor of the terms or amount of any other vendor's bid for the same project prior to the bid opening date and time. Once bids have been submitted (and opened, if the bids are sealed), the City may not negotiate with bidders. The contract must be awarded to the lowest responsive and responsible bidder, or else the City Council may choose to reject all bids by Council action.

F. A written record shall be made of each bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bids shall be recorded, open to public inspection, and available by telephone inquiry.

G. The original bid responses shall be filed with the City Clerk within fourteen (14) days of the date bids were due, and will be retained for review and audit as required.

H. Bid Security. In general, bid security is optional. However, bid security shall be required for all competitive bidding of public works projects valued in excess of the maximum dollar amount allowed for utilization of the small works roster. Security shall be in the form of a bond with a value of five percent (5%) of the amount of the bid, provided by a surety company that is authorized to do business in Washington State, or the equivalent in cash or certified check. When the invitation for bids requires submittal of bid security, non-compliance will result in rejection of the bid. If a bidder is permitted to withdraw a bid before award, its bid security shall be returned.

I. Noncollusion Affidavit. Each bidder may be required to warrant that their bid is genuine, and that they have not entered into collusion with other bidders, by submitting with their bid an executed and notarized affidavit. (Ord. 12-1005 § 4; Ord. 09-1011 § 1 (part))

3.31.110 Emergency purchases.

In the event of an emergency when the public interest or property of the City would suffer material injury or damage by delay, the City Manager may waive the requirements set forth in this chapter. The City Manager shall report, in detail, such emergency expenditures to the City Council within twenty (20) days of purchases or contracts entered into pursuant to this section, or as soon as practicable. Written determination of the basis for the emergency and for the selection of the particular vendor or vendors shall be filed with the City Clerk within twenty (20) days of procurement. If an emergency is proclaimed pursuant to Chapter 2.75 SMC, the provisions of that chapter shall supersede in the event of any conflicts. (Ord. 09-1011 § 1 (part))

3.31.120

3.31.120 Sole source and special market conditions.

A. The provisions of this section only apply to the purchase of supplies, equipment, and information services.

B. Sole source purchases are authorized when:

1. There is clearly and legitimately only one (1) source capable of supplying the good or service in a timely fashion; or

2. There are special circumstances or market conditions that result in only one (1) appropriate source. This includes parts and services for equipment and technical support for computer software or hardware that the City is already using.

C. Purchases may be made from a sole source vendor without soliciting other quotes or bids. However, written documentation demonstrating the appropriateness of a sole source purchase shall be submitted to the City Manager in advance of the purchase. The City Manager will evaluate whether a vendor can legitimately be defined as a sole source, pursuant to RCW 39.04.280. Any sole source purchases and contracts and the basis for the exception from competitive procurement shall be recorded and open to public inspection immediately after the purchase.

D. Any purchases or agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.130 Electronic data processing and telecommunications systems.

Notwithstanding any provisions of this chapter, electronic data processing and telecommunications systems may be acquired in accordance with the provisions of RCW 39.04.270. However, the contract approval limits set forth in SMC 3.31.050 are still applicable. (Ord. 09-1011 § 1 (part))

3.31.140 Final acceptance.

In order to comply with the provisions of RCW 39.08.030, the City Council shall formally accept the work for all projects in which

a bond has been filed with the City in accordance with Chapter 39.08 RCW. (Ord. 09-1011 § 1 (part))

3.31.150 Intergovernmental cooperative purchasing.

A. The City may sell to, acquire from or use any supplies, material or equipment belonging to any agency, political subdivision, or unit of local government including, but not limited to, special purpose and local service districts, any agency of the State, County, or Municipal government, King County, and any agency of the United States, without the necessity for competitive sealed bids.

B. The City may join the above-described units of government in cooperative purchasing plans when the best interests of the City would be served thereby; provided, that each of the participating units shall be separately invoiced by the vendors for purchases made under such plans, and the City shall not be obligated for purchases other than those required for its own use. It is further provided that in the case of purchases by the City through such intergovernmental cooperative purchasing plans, the City Manager or designee shall be authorized to negotiate with the successful bidder for any additional equipment, options and/or accessories where such equipment, options and/or accessories were not included in the bid package of the other public agency, political subdivision, or unit of local government; provided, that such accessories, options or equipment could be purchased within budgeted amounts. It is further provided that the City Manager or designee is authorized to negotiate reductions or deletions of equipment, options and/or accessories where such equipment, options and/or accessories were included in the bid package of the other public agency, political subdivision, or unit of local government and where such equipment, options and/or accessories are not needed, wanted or required by the City.

C. Any agreements entered into under authority of this section are subject to the contract approval limits set forth in SMC 3.31.050. (Ord. 09-1011 § 1 (part))

3.31.160 Compliance.

Officers and employees should be aware of possible personal penalties, and financial liability for intentional or willful violation of competitive bidding laws. RCW 39.30.020 states:

In addition to any other remedies or penalties contained in any law, municipal charter, ordinance, resolution, or other enactment, any municipal officer by or through whom or under whose supervision, in whole or in part, any contract is made in willful and intentional violation of any law, municipal charter, ordinance, resolution, or other enactment requiring competitive bidding upon such contract shall be held liable to civil penalty of not less than three hundred dollars and may be held liable, jointly and severally, with any other such municipal officer for all consequential damages to the municipal corporation.

If, as a result of a criminal action, the violation is found to have been intentional, the municipal officer shall immediately forfeit their office. For purposes of this section "municipal officer" shall mean an "officer" or "municipal officer" as those terms are defined in RCW 42.23.020 (2).

(Ord. 09-1011 § 1 (part))

3.31.170 Third party contracts.

A. At times, the City is a third party to a contract in which there is no net financial impact to the City. These situations include, but are not limited to, contracts for peer review of developer studies and reports submitted to the City as part of the development review process.

B. Contracts in which the City is a party with two (2) or more other parties, and in which there is no net financial impact to the City, may be executed by the City Manager without Council approval.

C. Contracts in which the City is a party with two (2) or more other parties, and in which there is a net financial impact to the City, are subject to the contract approval levels set forth in SMC 3.31.050. The specific contract approval level shall be based upon the net fiscal impact to the City, which may be less than the total value of the contract. (Ord. 09-1011 § 1 (part))

3.31.180 Common rule for uniform administrative requirements for grants and cooperative agreements to state and local governments [common rule].

The City hereby adopts as a part of its purchasing system the "Common Rule for Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" as it relates to purchasing and procurement, established by the Office of Management and Budget (OMB), and set forth now or as hereafter amended in OMB Circular A-102, which is adopted herein by reference. (Ord. 09-1011 § 1 (part))

3.31.190 Acceptance of grants, lease or rental of City facilities and contracts for which City receives payment.

The City Manager or designee, on behalf of the City, is granted the authority to accept grants, lease or rent City facilities, or let any contract in which the City receives either monetary or nonmonetary payment for material, equipment, services, or supplies under such terms and conditions the City Manager deems is in the best interest of the City and does not interfere with public use; provided, that annual payment to the City for any such lease, rental agreement, or contract is less than fifty thousand dollars (\$50,000) in value. (Ord. 12-1005 § 5; Ord. 09-1011 § 1 (part))

ATTACHMENT 3

RESOLUTION NO. 07-014

A RESOLUTION of the City Council of the City of SeaTac, Washington authorizing the Director of Finance to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

WHEREAS, RCW 42.24.180 provides that the City Council may authorize the issuance of checks in payment of claims provided that certain statutory requirements are followed, including 1) the auditing officer obtains a bond in an amount not less than \$50,000; 2) the Council adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal controls; 3) the Council approve claims paid at the next regularly scheduled meeting; and 4) if the Council disapproves a claim, any amount paid becomes a receivable to the City; and

WHEREAS, the City Council deems that it is appropriate to make said authorization;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SEATAC, WASHINGTON HEREBY RESOLVES as follows:

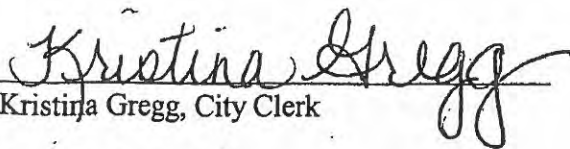
1. The Director of Finance is authorized to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

PASSED this 24th day of July, 2007 and signed in authentication thereof on this 24th day of July, 2007.

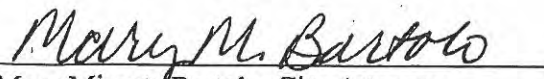
CITY OF SEATAC

Gene Fisher
Gene Fisher, Mayor

ATTEST:


Kristina Gregg, City Clerk

Approved as to Form:


Mary Mirante Bartolo, City Attorney

[Payment of Claims prior to Council Approval]

mk

SeaTac City Council
REQUEST FOR COUNCIL ACTION

Department Prepared by: Legal

Agenda Bill #: 2822

TITLE: A Resolution authorizing the Director of Finance to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

July 17, 2007
<input type="checkbox"/> Ordinance <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Motion <input type="checkbox"/> Info. Only <input type="checkbox"/> Other
Date Council Action Requested: <u>RCM 07/24/2007</u>
Ord/Res Exhibits: _____
Review Dates: <u>A&F 07/10/2007</u>
Prepared By: <u>Mark S. Johnsen, Senior Assistant City Attorney</u>
Director: <u>Mary M. Bartolo</u> City Attorney: <u>Mary M. Bartolo</u>
Finance: <u>Mary M. Bartolo</u> BARS #: <u>N/A</u>
City Manager: <u>C. Stewart</u>

MSJ

SUMMARY: The proposed Resolution authorizes the Director of Finance to issue and sign checks for payment of claims before the City Council has had the opportunity to approve said claims, so long as the requirements of RCW 42.24.180 are met.

DISCUSSION / ANALYSIS / ISSUES: In general, the City Council must approve the payment of claims prior to checks being issued by the City. However, due to the schedule for processing of claims and payroll, having Council approval before the checks are issued is not always possible. However, checks that have been issued are always approved by the Council at the next meeting after issuance.

During the current audit by the State Auditor's Office, it was suggested that a Resolution be passed by the Council authorizing the payment of claims prior to Council approval, so that the City's practice conforms with RCW 42.24.180. That statute provides that the City Council may authorize the issuance of checks prior to Council approval if the auditing officer (in this case, the City's Finance Director), meets certain requirements. These requirements include: 1) the auditing officer obtains a bond in an amount not less than \$50,000; 2) the Council adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal controls; 3) the Council approve claims paid at the next regularly scheduled meeting; and 4) if the Council disapproves a claim, any amount paid becomes a receivable to the City.

The proposed Resolution was reviewed by one of the State Auditors, and the Resolution should bring the City into compliance with RCW 42.24.180.

RECOMMENDATION(S): It is recommended that the proposed Resolution be passed.

FISCAL IMPACT: None.

ALTERNATIVE(S): Do not adopt the proposed Resolution.

ATTACHMENTS: None.

ATTACHMENT 4

RCW 42.24.180

***Taxing district—Issuance of warrants or checks before approval by legislative body—Conditions.**

In order to expedite the payment of claims, the legislative body of any *taxing district, as defined in RCW 43.09.260, may authorize the issuance of warrants or checks in payment of claims after the provisions of this chapter have been met and after the officer designated by statute, or, in the absence of statute, an appropriate charter provision, ordinance, or resolution of the *taxing district, has signed the checks or warrants, but before the legislative body has acted to approve the claims. The legislative body may stipulate that certain kinds or amounts of claims shall not be paid before the board has reviewed the supporting documentation and approved the issue of checks or warrants in payment of those claims. However, all of the following conditions shall be met before the payment:

(1) The auditing officer and the officer designated to sign the checks or warrants shall each be required to furnish an official bond for the faithful discharge of his or her duties in an amount determined by the legislative body but not less than fifty thousand dollars;

(2) The legislative body shall adopt contracting, hiring, purchasing, and disbursing policies that implement effective internal control;

(3) The legislative body shall provide for its review of the documentation supporting claims paid and for its approval of all checks or warrants issued in payment of claims at its next regularly scheduled public meeting or, for cities and towns, at a regularly scheduled public meeting within one month of issuance; and

(4) The legislative body shall require that if, upon review, it disapproves some claims, the auditing officer and the officer designated to sign the checks or warrants shall jointly cause the disapproved claims to be recognized as receivables of the *taxing district and to pursue collection diligently until the amounts disapproved are collected or until the legislative body is satisfied and approves the claims.

[1994 c 273 § 18; 1984 c 128 § 11.]

NOTES:

***Reviser's note:** "Taxing district" redesignated "local government" by 1995 c 301 § 15.



FINANCE DEPARTMENT
 CITY OF SEATAC
 4800 SOUTH 188TH STREET
 SEATAC, WA 98188-8605
 (206) 973-4880
 FAX: (206) 973-4899

COPY

CLAIM VOUCHER NO. 113663

DATE 1/29/2016	CHECK NUMBER 113663	VENDOR NUMBER 00745	VENDOR CITY OF COVINGTON	CLAIM VOUCHER NO. 113663
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PURCHASE ORDER NO.	P.O. DATE	INVOICE NUMBER	INVOICE DESCRIPTION	ACCOUNT DISTRIBUTION	AMOUNT DUE
1. 03-00883	01/19/2016	0006827	2016 Memorandum of Understanding (001.000.03.565.10.41.012	73,000.00
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
11.					
12.					
13.					
GRAND TOTAL					73,000.00

AUDITING OFFICER'S CERTIFICATION

I, the undersigned do hereby certify under penalty of perjury, that the materials have been furnished, the services rendered, or the labor performed as described herein, and that the claim is a just, due and unpaid obligation against the City of SeaTac, and that I am authorized to authenticate and certify to said claim.

[Handwritten Signature]
 X



City of Covington
 16720 SE 271st Street, Suite 100
 Covington, WA 98042
 Phone (253) 480-2400
 Fax (253) 480-2401
 www.covingtonwa.gov

INVOICE

DATE	INVOICE NO
01/11/16	0006827

ACCOUNTS PAYABLE

JAN 21 2016

RECEIVED

PAID
 JAN 21 2016
 FINANCE DEPT

BILL TO
City of SeaTac Colleen Brandt-Schluter 4800 S. 188th St. SeaTac, WA 98188-8605

APPROVED FOR PAYMENT
 BY: *Colleen Brandt-Schluter*

DATE: 1/14/16

BARS# 001.000.03.565.10.41.012

DUE DATE
02/09/16

DESCRIPTION	AMOUNT
2016 Human Services Joint Funding:	
HealthPoint Dental	14,000.00
DAWN- Housing	8,000.00
HealthPoint Medical	47,000.00
DAWN- CAP	4,000.00
INVOICE TOTAL:	73,000.00



CITY OF SEATAC

4800 SOUTH 188TH STREET
 SEATAC, WA 98188-8605
 (206) 973-4880
 Fax: (206) 973-4899

DATE
1/19/2016

PO NUMBER
03-00883

VENDOR: 00745
 CITY OF COVINGTON
 16720 SE 271ST ST
 STE 100
 COVINGTON, WA 98042

SHIP TO: SEATAC CITY HALL
 4800 S 188TH ST
 SEATAC, WA 98188-8605

FOB Point: DESTINATION

Terms: Net 30 Days

BILL TO: CITY OF SEATAC

4800 S 188TH ST

SEATAC, WA 98188-8605

Req. Del. Date:

Contact: BRANDT-SCHLUTER, COLLEEN

(206) 973-4815

REQ NUMBER: 019626

Special Inst:

Quantity	Unit	Description	Unit Price	Ext. Price
		2016 Memorandum of Understanding (MOU) for Joint Human Services Funding with the City of Covington for: HealthPoint Dental - \$14,000 DAWN Community Advocacy - \$4,000 HealthPoint Medical - \$47,000 DAWN Housing - 8,000 Total: \$73,000.00		73,000.00

Terms And Conditions

1. All claims for labor or material furnished must be filed within 30 days.
2. All packages, cartons or other containers must be plainly marked with the purchase order number.
3. All purchases F.O.B. destination unless otherwise specified on bid or purchase order.
4. The right is reserved to purchase in the open market and to charge the difference to the vendor in the event that deliveries are not made in the time specified in the bid or contract.

5. Whenever a delivery is rejected the vendor shall be notified and shall be given the reason for the rejection. All rejected deliveries shall be held at the vendors risk and he shall bear the expense of removal.
6. The City of SeaTac will not be responsible for articles furnished officials or employees without a purchase order signed by the authorized purchasing agent.

SUBTOTAL	73,000.00
TAX	0.00
FREIGHT	0.00
TOTAL	73,000.00

ACCOUNTS PAYABLE
 RECEIVED
 JAN 19 2016

Account Number	Project Number	Amount	Account Number	Project Number	Amount
E 001.000.03.565.10.41.012		73,000.00			

Authorized Signature

ACCOUNTS PAYABLE COPY