

City of Tacoma

PURCHASING POLICY MANUAL

**City of Tacoma
Purchasing Policies and Procedures**

I. INTRODUCTION	6
II. BEST PRACTICES AND DIRECTIVES	8
III. ACCOUNTABILITY AND COMMUNICATIONS	12
IV. ETHICS OF PROCUREMENT	14
V. PURCHASING AUTHORITY/GOVERNANCE	15
A. Finance	
B. Contracts and Awards (C&A) Board	
C. City Council/Public Utility Board	
D. Special Requirements for Purchases \$50,001-\$200,000 and Emergencies over \$200,000	
E. Signature Authority/Delegation for Purchasing Documents	
F. IS Governance Board (Software Purchases)	
G. Reprographics Advisory Committee	
H. Fleet Vehicles	
VI. PROCUREMENT PROCEDURES OVERVIEW	17
A. Competitive Solicitation	
B. Authorized Competitive Solicitation Processes	
C. Use of Current Contracts	
D. Additional/Special Considerations	
1. Contract Forms	
2. Sales and Use Tax	
3. City of Tacoma Business License and Business and Occupation Taxes	
4. Washington Business License	
5. Freight/Shipping Terms	
6. Bonds – Bid Bonds and Performance Bonds	
7. Retainage and Bond in-lieu-of Retainage	
8. Prevailing Wages	
9. Prevailing Wages for Federally Funded Projects	
10. Warranty	
11. Insurance	
12. Indemnification	
13. HUB (Historically Under-Utilized Businesses)	
14. LEAP (Local Employment and Apprenticeship Program)	
15. Specifications with Oversized Plans (See Section XIV. J.)	
16. Local Preference	
17. Grant Funded Purchases	
18. Pre-Payment	
VII. SUPPLIES CONTRACTS (Goods and Materials)	30
VIII. SERVICES CONTRACTS	32
A. Purchased Services	
B. Professional/Personal Services	
C. Architectural and Engineering Services	
D. Statement of Services Contracts	

IX. PUBLIC WORKS AND IMPROVEMENTS CONTRACTS (Construction/Labor)	38
X. \$5,000 OR LESS	41
XI. SOLICITATION BY THREE WRITTEN QUOTES (\$5,001 - 25,000)	43
A. Requirements and Methods	
B. Quote Process Conducted by Department/Division	
C. Quote Process Conducted by Purchasing Staff	
D. Frequently Asked Questions	
XII. INFORMAL SOLICITATIONS – REQUEST FOR BIDS (\$200,000 or Less)	46
A. Purpose and Overview	
B. Specification Preparation	
C. Solicitation Procedure	
D. Addenda	
E. Submittal	
F. Evaluation	
G. Award	
H. Contract Documents	
I. Protests (See Section XVII.)	
XIII. SEALED SOLICITATIONS OVERVIEW	52
XIV. SEALED SOLICITATIONS – REQUESTS FOR BIDS	53
A. Purpose and Overview	
B. Specification Preparation	
C. Solicitation Procedure	
D. Addenda	
E. Public Bid Opening	
F. Evaluation	
G. Award	
H. Contract Documents	
I. Protests (See Section XVII.)	
J. Specifications with Oversized Plans	
K. Specifications with Oversized Plans - Addenda	
XV. SEALED SOLICITATIONS – REQUESTS FOR PROPOSALS	63
A. Purpose and Overview	
B. Specification Preparation	
C. Solicitation Procedure	
D. Addenda	
E. Public Bid Opening	
F. Evaluation	
G. Contract Negotiation and Award	
H. Protests (See Section XVII.)	
I. Detailed RFP Process Information and How-To Guidance	

XVI. SEALED SOLICITATIONS – REQUESTS FOR QUALIFICATIONS	78
A. Purpose and Overview	
B. Specification Preparation	
C. Solicitation Procedure	
D. Addenda	
E. Public Bid Opening	
F. Evaluation	
G. Contract Negotiation and Award	
H. Protests (See Section XVII.)	
XVII. PROTESTS	90
XVIII. PROCUREMENT CARDS OVERVIEW	99
XIX. INTERLOCAL PURCHASING AGREEMENTS / PURCHASING COOPERATIVES	103
A. Interlocal Agreements	
1. Public Agencies	
2. State of Washington	
a. Office of State Procurement (OSP, General Administration Department)	
b. DIS (Department of Information Services)	
c. WSCA (Western States Contracting Alliance)	
B. General Services Administration (GSA – Federal)	
C. Purchasing Cooperatives	
1. US Communities	
2. KCDA	
D. Interagency Agreements	
XX. CITYWIDE CONTRACTS	107
XXI. WAIVER OF COMPETITIVE SOLICITATION REQUIREMENTS	109
A. Purpose and Overview	
B. Sole Source	
C. Not Practicable to Bid	
D. Emergency	
E. Direct Negotiation and Solicitation	
XXII. CONTRACTOR PERFORMANCE AND DISQUALIFICATION	117
A. Disqualification	
B. Debarment	
XXIII. CONTRACT ADMINISTRATION	118
A. Contract Amendments	
B. Contract Amendment and Purchase Order Supplement Process	
C. Review and Approval by Finance and Legal Department	
D. Contract Assignments (Assignment of Agreement)	

XXIV. PROCUREMENT POLICIES	
A. Sustainable Procurement	122
B. Historically Under-Utilized Businesses (HUB) for Supplies and Services	126
C. Historically Under-Utilized Businesses (HUB) for Public Works and Improvements	141
D. Small Works Roster	142
E. Procurement Cards	143
F. Surplus Property and Disposal	156
G. Miscellaneous Invoice Payments	162
H. Gift Cards and Certificates	165
I. Travel	167
XXV. APPENDICES	186
A. Glossary	187
B. Procurement Matrix	
C. Forms, Templates and Documents	
D. SAP	
1. Purchase Requisitions – "Tips – Creating Purchase Requisitions"	
2. Purchase Requisition Workflow and Release Strategies	
3. Purchase Orders – Information Needed to Create; Tips	
4. Reports	
5. Roles	
6. Tacoma SAP Help	

I. INTRODUCTION

The City of Tacoma Finance Department, Procurement and Payables Division (“Purchasing Division” or “Purchasing”) began a process improvement planning effort in 2005. A Purchasing Stakeholder Committee was formed in 2006 and continued the initial work of identifying new and better ways to conduct business, as well as ways to simplify and streamline purchasing processes. The Purchasing Task Force, with membership comprised of both General Government departments and Tacoma Public Utilities (TPU) divisions, was established in 2007 and developed and prioritized 64 recommendations for change. The Task Force, together with Purchasing staff and the Legal Department, crafted revisions to Chapter 1.06 of the Tacoma Municipal Code governing purchasing, which were adopted in January 2009 by Ordinance 27777 (the "Purchasing Code"). This Purchasing Policy Manual is an outgrowth of those changes and recommendations, and contains both policy and procedures.

The Tacoma Municipal Code ("TMC" or "Code") extends authority for procurement activities to the Director of Finance, who in turn, has delegated that authority to the Procurement and Payables Division manager (referred to in the Purchasing Code as the finance/purchasing manager). The Procurement and Payables Division manager is the head of the Procurement and Payables Division of the Finance Department. The Procurement and Payables Division is often referred to simply as “Purchasing.”

Citations to state statutory (RCW) and administrative code (WAC) provisions found in this Purchasing Policy Manual are subject to change as such laws and regulations are amended from time to time. Thus, it may be necessary to check statutory and/or regulatory re-codification cross reference tables published by the State of Washington for applicable current citation. See the Washington State Code reviser website:

<http://www.leg.wa.gov/LawsAndAgencyRules/Pages/default.aspx>

The Purchasing Policy Manual is intended to incorporate or supersede all conflicting purchasing and procurement related policies, memos and directives previously issued, as well as the following:

- A. Purchasing Guidelines, August 1, 2002. *Incorporated.*
- B. Direct Solicitation and Negotiation of Professional Services and Personal Services Policy; August 31, 2009. *Incorporated.*
- C. Miscellaneous Invoice Payment Policy; January 1, 2009. *Incorporated.*
- D. Procurement Card Policies and Procedures; January 25, 2010. *Incorporated.*
- E. Surplus Property and Disposal; June 15, 2007. *Incorporated with Revisions.*
- F. Guidelines for Requests for Waiver of Competitive Bidding Requirements (formal contracts and purchases); December 23, 2003. *Incorporated with revisions.*
- G. Non-Competitive Contracts/Wavier of Competitive Bidding Requirements; November 12, 2003. *Incorporated with revisions.*
- H. Letter from the Contracts and Awards Board, Formal Contracts and Purchases; December 23, 2003. *Incorporated with revisions.*
- I. Protest of Recommended Contract Awards; January 3, 2005. *Incorporated.*
- J. Protest of Recommended Contracts; April 30, 2008. *Incorporated.*
- K. Statement of Services Policy; January 1, 2009. *Incorporated with revisions.*
- L. Payment Terms; June 28, 2004. *Incorporated with revisions.*
- M. Purchase Order Authority over \$5,000; November 19, 2003. *Incorporated with revisions.*
- N. Review of Bid/Proposal Responses and Draft Bid Specifications/RFPs; Summaries of Contracts & Awards Board Protest Hearings; March 21, 2006. *Incorporated.*

The Purchasing Policy Manual will be updated as needed to reflect changes to local, state and federal laws. Additionally, it is expected that as departments and divisions refer to this manual, further reasonable and necessary revisions will be made as processes and procedures are improved, and to correct scrivener's or other ministerial errors. The Procurement and Payables Division manager is authorized to make such changes and communicate these revisions to City department and divisions. Significant or substantive changes will be reviewed by the Director of Finance for approval. Significant or substantive changes with potential legal or political consequences will be forwarded to the City Manager and Director of Utilities for approval. The Purchasing Division will maintain the most current version of the Purchasing Policy Manual on its intranet site for viewing.

The Purchasing Policy Manual does not apply to wholesale power and water purchases.

II. BEST PRACTICES AND DIRECTIVES

The Procurement and Payables Division (or “Purchasing”) has responsibility to maintain public confidence and trust. Purchasing will establish appropriate internal controls, observe fair and ethical business practices, and use wise and prudent judgment in the expenditure of public funds.

Your primary point of contact for help and guidance with the Purchasing Policy Manual are your [Purchasing representatives](#). If you aren't familiar with your buying team, contact anyone in Purchasing for assistance.

The dollar thresholds referenced in this manual exclude sales tax, but include freight and shipping.

A. Procurement and Payables Division Responsibilities related to Procurement Process

1. The Procurement and Payables Division acquires goods and services in a manner that complies with federal, state and local laws, including the Tacoma City Charter and Tacoma Municipal Code, as well as all applicable ordinances, rules and policies.
2. The Purchasing code requires competitive solicitation in most cases and to the extent practical. Competitive solicitations are done in an open manner that is accessible to interested vendors. All informal bids and sealed submittals are received and opened by Purchasing; awards are coordinated by Purchasing.
3. Purchasing establishes rules and procedures to enforce the City's Purchasing Code and to favor competitive solicitations. City departments/divisions may have additional procedures to monitor and control purchase requests and department/division compliance. To ensure compliance with purchasing rules, regulations, policies and procedures, those making purchases must be familiar with purchasing requirements and procedures.
4. All contracts must comply with competitive solicitation requirements. Purchasing will strive to increase efficiency in purchasing, increase accessibility to products or services, and/or combine City volumes for best pricing.
5. Purchasing will apply all appropriate procedures to ensure compliance with the Purchasing Code, and will request department/division assistance in providing specifications and evaluation of submittals. Awards are made to lowest and best responsible bidder. If not awarded to lowest bidder in price, reasons must be documented in a written memo from the department/division and filed with the solicitation file in Purchasing for public record.
6. Purchasing will conduct competitive solicitations for materials and services repetitively acquired by departments/divisions, and establish contracts for these items for citywide use. It is mandatory for departments/divisions to utilize citywide contracts when they are available unless an exception has been granted by Purchasing.
7. Purchasing may award a single supplier contract or may award contracts to multiple suppliers for departments/divisions to select from. To decide whether multiple contracts are appropriate, Purchasing will consider City volumes, policy objectives such as sustainability, HUB participation, and specific business needs. If a pool is established, Purchasing may include instructions for selecting among the multiple available contracts. Otherwise, the

department/division may select from multiple contracts using any criteria appropriate to the department/division.

8. When a citywide contract, or other contract administered by Purchasing, nears expiration, Purchasing will make a decision to extend, rebid or terminate. These decisions are based upon contract extension provisions, how much the contract is used, and whether the City continues to have the business need. Purchasing will make these decisions in a timely manner to ensure uninterrupted access to needed goods or services. Purchasing will make efforts to notify department/division users of these decisions in a timely manner. Departments/Divisions shall not continue using a contract that has passed its expiration date. Expired contracts cannot be extended or renewed.
9. Interlocal purchases, including cooperative agreements, allow the City to “piggyback” other government agency contracts and are encouraged only when it’s in the best interest of the City. Departments/Divisions may search for such opportunities, including, but not limited to, state of Washington contracts. Cooperative agreements must be approved by the Procurement and Payables manager and the agency contract must have been competitively bid in a manner meeting Tacoma’s requirements
10. The Procurement and Payables manager, with department/division concurrence, may reject any and all bid submittals for the City. Departments/Divisions must seek approval from the Procurement and Payables manager before moving forward to reject all bids.
11. The Procurement and Payables manager can, on a case-by-case basis, grant exceptions to the procedures and policies in this manual except where prohibited by federal, state or local laws, including Tacoma Municipal Code.

B. Department or Division Responsibilities related to Procurement Process

1. Limited purchasing authority. Departments/Divisions are delegated purchasing authority in the amount of \$5,000 or less, including freight, excluding sales tax, for non-repetitive purchases of supplies and materials, and limited services:
 - a. Public works and improvements (construction and labor) projects are excluded.
 - 1) Requirements regarding prevailing wages and insurance are not waived for projects at or below this dollar threshold. Requirements for holding retainage may be waived in certain circumstances when the Small Works Roster is used.
 - b. Architectural and engineering services are excluded.
 - c. Contact your Purchasing representative to discuss specifics about your particular project.
2. Citywide contracts. Departments/Divisions must carefully review citywide contracts established by Purchasing to ensure they understand the parameters for use and instructions for placing orders.
3. Ethics. Departments/Divisions shall ensure that those employees who are authorized to purchase for the department/division are familiar with the City's Ethics Code 1.46.030. This is to avoid potential conflicts of interest in purchasing or contracting transactions.
4. HUB. Departments/Divisions will develop procedures to encourage consideration of HUB firms for those purchases within their delegated authority. For requests sent to Purchasing,

Purchasing staff will seek to identify HUB firms that could provide the desired goods or services.

5. Splitting purchases. Departments/Divisions shall not split purchases to stay under the \$5,000 competitive solicitation threshold or within the \$200,000 aggregate limit.
6. Grant funds. Departments/divisions who apply for, receive and administer grant funds must be familiar with all unique requirements associated with their subject grant with respect to procurement requirements, cost or price analysis, subcontracting, contract administration, etc., and must fully comply with these requirements. (See Section VI. D. 17. for additional detail.)
7. Small Works Roster. Wherever feasible, departments/divisions will work with Purchasing staff to conduct competitive solicitations using the Small Works Roster program for public works and improvements contracts of \$200,000 or less. See subsection C. immediately below. (Reference Small Works Roster regulations and Chapter 10.27, TMC)
8. Purchase Requisition/Purchase Order maintenance. Departments/Divisions shall cooperate with Purchasing and Finance Accounting to conduct routine maintenance of purchase requisitions and purchase orders to reflect accurate records. Such procedures include timely entry of purchase requisitions prior to procurement action, clearing unnecessary encumbrances/commitments and timely entry of goods/service receipts. Note: Entering goods/service receipts *prior to actual delivery/performance of goods/services* is prohibited.
9. Contracting Temporary Personnel. Departments/Divisions shall contact Human Resources to obtain authorization prior to contracting with temporary personnel placement services. (Reference TMC 1.24.710 and Personnel Management Policy 506)
10. Individuals who fail to follow the principles and guidelines in this Purchasing Policy Manual and Tacoma Municipal Code will be identified in service level agreement exception reports and may be prohibited from participating in purchasing activities until successfully completing a training review with the Procurement and Payables Division.

C. Small Works Roster

Chapter 10.27, TMC enables City departments/divisions to utilize the Small Works Roster (SWR) program as allowed by state law to provide an orderly and efficient method of awarding public works and improvements contracts of \$200,000 or less. Whenever the estimated project cost of any public works and improvements project is \$200,000 or less, the department/division responsible for the project is encouraged to use, wherever feasible, the Small Works Roster.

D. HUB

The City of Tacoma is committed to encouraging firms certified through the Historically Under-Utilized Business Program to participate in City contracting opportunities. (Reference Chapter 1.07, Tacoma Municipal Code) The HUB program coordinator will conduct outreach and recruitment to increase the pool of City of Tacoma certified HUB businesses.

E. Environmental Stewardship

The City promotes acquisition of goods and services in a manner that is consistent with principles of environmental stewardship. Departments/Divisions shall use product specifications that promote positive environmental practices. At a minimum,

departments/divisions should consider using the United States Environmental Protection Agency (USEPA) specifications, unless the department/division indicates the USEPA specification is not suitable for a particular purchase due to cost, suitability, or availability. Departments/Divisions may also identify additional specifications, including those that reduce hazardous materials or waste, increase recyclable content, reduce emissions and harmful particulates, or promote other sustainability initiatives. (See Section XXIV. A. Sustainable Procurement Policy)

F. Americans with Disabilities Act (ADA)

The City promotes acquisition of goods and services in a manner that is consistent with requirements of the Americans with Disabilities Act. Departments/Divisions should consider ADA accessibility when making purchases. Contact the City's ADA coordinator in the Human Rights and Human Services Department at 253-591-5785 for additional information.

G. Technology Purchases

The City of Tacoma Department of Information Technology has established and published technology standards for purchasing desktop and laptop computers, printers, hardware and software. Departments/Divisions shall ensure all such purchase requests comply with these standards. (See Section V. G.)

H. Procurement (Purchase) Cards

Use of a procurement card for non-repetitive small dollar supply purchases in lieu of a purchase order is encouraged. As the PCard program expands, the PCard manager will test, evaluate and conduct cost benefit analyses to determine best practices applicable to the City. This information will be posted in the PCard newsletter and Purchasing intranet site. NOTE: Use of the PCard does not circumvent responsibility to comply with applicable local, state and federal laws and regulations.

III. ACCOUNTABILITY AND COMMUNICATIONS

City staff involved in specification development must carefully consider conflicts of interest and other public accountability rules. Consider each of the following.

- A. **Public Disclosure.** The City's procurement process, and the submittals, materials, information, decisions and many of the notes related to that process are all public records subject to public disclosure unless an exemption applies under the Washington Public Records Act (PRA), Chapter 42.56, RCW.
- Submittals are subject to disclosure. Certain state law exemptions may apply and disclosure may be reasonably delayed to avoid unreasonable interference with the evaluation and award decision.
 - Your notes are subject to disclosure as they pertain to the City's official business, processes and decisions. Do not make remarks or comments that you would not be comfortable sharing with a public audience.
 - Keep those notes that help to document the process and decisions, and clearly organize them so they can be understood in the future.
 - Important notes and materials that are significant to documenting the decision and process should be given to the buyer at the end of the process and saved in the event of a public records request.
 - The City is not required to create summaries or new public records in response to a PRA request. The City is not required to do research or analysis for vendors under PRA. However, summaries or analyses are subject to disclosure if the City has already created such records.
 - Further information regarding public disclosure may be obtained from the City Clerk's office for General Government or the public records officer for Public Utilities.
- B. **Maintain Confidentiality.** Documents, decisions, information and opinions are generally to be kept confidential, except as required to be disclosed under the Public Records Act. Do not share information other than with City staff who are directly involved in the evaluation and selection process. Purchasing staff, and in some cases selection advisory committee members, may contact respondents to City solicitations seeking additional information and clarification regarding vendor submittals, as well as to negotiate a contract. However, conversations or contact with respondents regarding details of the evaluation process should otherwise be limited, and care must be taken to maintain the objectivity of the evaluation process. If respondents call with questions, particularly with regard to evaluation, or to request documents, refer them to the buyer or senior buyer.
- C. **Responsibility for Public Accountability.** Make sure evaluation award recommendations are documented and have sufficient explanation for the public to understand. Do not make remarks that you would not want shared with all respondents and/or the general public.
- D. **Fair, Prudent and Thorough Evaluation.** The process must be fair to all respondents; be thoughtful and deliberative in order to preserve the integrity of the public bid process.
1. Selection Advisory Committee (Evaluation Team) Participants. The project manager, and City staff invited to assist in specification development, solicitation efforts, and/or award processes, must be considerate of conflicts of interest and other public accountability rules.

2. In the event a member of a RFP selection advisory committee has a conflict of interest, he or she must immediately withdraw from the process. If you have a conflict or perceived conflict of interest, you must consult with the Procurement and Payables Division Manager.
 3. Please do:
 - a. disclose all questions from respondents to the buyer or senior buyer.
 - b. refer all requests for specification clarification to the buyer or senior buyer.
 - c. attend all evaluation team meetings.
 4. Use caution:
 - a. when discussing any aspect or any opinion you might have of the solicitation process, vendors, bids or results until the award is complete.
 - b. when accepting gifts/meals or any type of gratuity or service from any vendor.
 - c. to avoid actions that give, or may be perceived to give, preferential treatment to any vendor.
-

IV. ETHICS OF PROCUREMENT

A. Gifts and Conflicts of Interest

The City is committed to providing a very fair, transparent and equitable process to our purchases. We ask all staff participating in a solicitation and/or award process to be thoughtful of any perceived or actual conflicts of interest. Many of the situations defined as prohibited conduct in the City's Code of Ethics (Reference Chapter 1.06, TMC) could arise in the procurement context.

1. Reasonable Person Standard. Purchasing seeks to avoid situations that involve conflicts of interests or the appearance of such conflicts based on inappropriate opportunities to influence the solicitation and/or award process. Purchasing uses the measures of how a reasonable person would perceive the situation. A reasonable person standard might consider how the situation would appear if covered by a news story, or viewed from the perspective of a public interest group. Common questions to ask are: Could you comfortably explain your actions? Would taxpayers believe you were acting in their best interest?
2. Limitations on gifts. City staff should refuse gifts, meals and invitations to events such as concerts or sporting events, that could be reasonably perceived as:
 - improperly influencing performance of your official duties;
 - a reward for awarding a contract; or
 - offered or given to influence, find favor, or with a reasonable expectation of creating an obligation to the giver.

Vendors are prohibited from offering gifts during the solicitation and ensuing contract award process.

Contact the Procurement and Payables Division manager or the Legal Department for assistance if you encounter unusual situations.

- ### B. Former Employees as Vendors/Consultants/Contractors.
- Contact Human Resources before initiating a contract with former City employees.

V. PURCHASING AUTHORITY/GOVERNANCE

A. Finance Department (Reference TMC 1.06.252)

The Director of Finance is responsible for all purchases for the City through the Procurement and Payables Division manager, who heads the Purchasing, Accounts Payable and HUB sections. The Procurement and Payables Division manager makes all purchases of materials, supplies, equipment and contracted services for the City, subject to exceptions stated in the City Charter and Tacoma Municipal Code.

Coordination and cooperation between Purchasing and departments of General Government and divisions of the Department of Public Utilities are an absolute necessity for obtaining needed services and supplies.

The Tacoma Municipal Code delegates authority for procurement activities to the Director of Finance, consequently, all City procurement is subject to Finance Department/Purchasing oversight. All contracts, whether involving financial obligations or the generation of revenue, require approval and signature of the Director of Finance.

B. Contracts and Awards (C&A) Board (Reference TMC 1.06.265)

The C&A Board is comprised of five members: Two appointees by the City Manager, two appointees by the Director of Utilities and the Procurement and Payables manager. The City Manager appoints replacements in the event one of his appointees will be absent. The Director of Utilities appoints replacement in the event one his appointees will be absent. The Director of Finance appoints a replacement in the event the Procurement and Payables manager will be absent.

The C&A Board hears recommendations from the divisions and departments and the Board in turn recommends award or rejection of competitively solicited purchases and contracts (except real estate transactions) over \$200,000 prior to City Council or Public Utility Board action. C&A Board review also includes waivers of competitive solicitation over \$200,000 (except authorized emergency purchases). The C&A Board hears protests from solicitation respondents. Purchases and contract award recommendations \$200,000 or less are not reviewed by the C&A Board.

Contract awards over \$200,000 resulting from a competitive solicitation or waiver are brought to the City Council or Public Utility Board via a C&A letter for inclusion on the purchase resolution.

C. City Council/Public Utility Board (Reference TMC 1.06.266, 1.06.268, and 1.06.269)

The City Council for General Government, and the Public Utility Board for the Department of Public Utilities, for their respective areas of authority, provides final award approval on all purchases and contracts and sales of surplus personal property over \$200,000, and on contract amendments as specified in TMC 1.06.269.

D. Special Requirements for Purchases \$50,001 - \$200,000 and Emergencies over \$200,000

Purchases and awards of \$50,001 - \$200,000, and emergency purchases over \$200,000, (whether the declared amount of the emergency or actual amount spent) are reported by the Procurement and Payables Division manager to the City Council's Government, Performance and Finance committee and the Director of Utilities office. When required to be reported by the City Council or Public Utility Board pursuant to RCW 39.04.280(2)(b),

departments/divisions may be required to have staff in attendance to address questions raised by Council or Board members. Purchasing will provide notice of these meetings to departments/divisions.

E. Signature Authority/Delegation for Purchasing Documents (Reference TMC 1.06.268)

All signature authority, and delegation of authority, directives must be in writing, and provided to Purchasing where they will be maintained in a repository.

The City Manager for General Government departments and the Director of Utilities for Department of Public Utilities divisions are authorized to approve purchases and contracts up to \$200,000. Further delegation of authority to sign contracts, waiver requests, and similar documents shall be by written memo, including dollar limits and the position/titles granted approval authority. If applicable, the memo may also provide limits by type of purchase and/or contract, for example, restrictions may be specified for professional or consultant services.

F. IS Governance Board (Software Purchases)

The Information Systems Governance Board (ISGB) has been assembled to provide oversight into the City's investments and use of information systems. Members are from both General Government and the Department of Public Utilities. All enterprise-wide software purchases must be approved by the ISGB.

Documents (e.g., purchase requisitions, specifications, contracts) provided to Purchasing, whether by hard copy or electronically, related to the purchase of new enterprise-wide software must clearly indicate that ISGB approval has been obtained or is not required. Requests not previously approved by ISGB, when required, will be forwarded by Purchasing to the IS Governance Board, via the BPC (Business Process Committee) chair persons, for review. Purchasing will not process these requests (whether by competitive solicitation or waiver) until an approval by the ISGB is obtained. Departments that are unsure whether their purchase is subject to ISGB review should discuss it with their ISGB representative before moving forward.

Contracts requiring signatures should include the following language with appropriate box checked before being forwarded to the Director of Finance for signature:

The project related to this procurement:

- is not under the purview of the Information Systems Governance Board.
- has been approved by the Information Systems Governance Board.

G. Reprographics Advisory Committee (RAC)

For general government departments, the Reprographics Advisory Committee must approve all purchases of multi-function devices, e.g., copy machines. Contact Graphic Services for more information.

H. Fleet Vehicles

All vehicle purchases are to be coordinated with the appropriate Fleet division – PW Fleet for General Government and TPU Fleet for the Department of Public Utilities.

VI. **PROCUREMENT PROCEDURES OVERVIEW**

A. Competitive Solicitation is the standard for City procurement and shall be followed unless an express waiver of competitive solicitation is authorized. The purpose of competitive solicitation is to foster prudent stewardship of the public's funds and to promote open and fair treatment of participants in public contracting.

B. Authorized Competitive Solicitation Processes

- Three Written Quotes process. (See Section XI.)
- Informal Solicitations – Request for Bids process. (See Section XII.)
- Sealed Solicitations (See Section XIII.), which include Request for Bids (See Section XIV.), Request for Proposals (See Section XV.) or Request for Qualifications (See Section XVI.)
- A detailed Procurement Matrix, which may be used as a quick reference guide for each process, is attached as Appendix B.
- All solicitation threshold amounts include freight but exclude sales tax.

C. Use of Current Contracts. Before you begin specification development, first check whether there is already a contract in place for the supplies or services you need to purchase. If you're unsure where or how to do this, consult your buyer or senior buyer.

D. Additional/Special Considerations. The following should be considered in every City procurement. Not all of the items below will apply in every case; however, this checklist should govern the process of putting together a City contract.

1. Contract Forms

Use of City's standard contract forms are required except as permitted on a case-by-case basis after consultation with Purchasing and, if necessary, the Legal Department.

- a. Purchase Order. Includes standard terms and conditions for City procurement. Often used in lieu of a separate contractual document for supplies and occasionally for lower value services transactions.
- b. SAP "Contract." A SAP tracking document that can include transactional terms and conditions.
- c. One page contract form. Used for supplies and public works and improvements. Can be modified for Request for Proposal transactions. References and incorporates specification provisions developed by departments/divisions.
- d. Professional Services Contract. To begin professional services contract process, you must download template and trigger sheet found on Purchasing intranet site and provide to Legal Department for review and negotiation as needed. This form may also be used for personal services.
- e. Purchased Services Contract. Used for services that are not considered professional services and are not related to public works or improvement transactions. Prevailing wages provisions may be required.
- f. Statement of Services (SOS) Contract. Used for purchase of various services valued under amount specified in Section VIII. D. in lieu of Professional/Personal Services Contract. Not to be used for public works or improvement transactions.
- g. Standard Terms and Conditions for Solicitation (Section I) and Supplies (Section II) and Services (Section II). Typically included in all solicitations except for public works and improvements and surplus personal property transactions. The Standard Terms and

Conditions become part of the resulting contract except as specifically deleted or modified during contract negotiation.

2. Sales Tax and Use Tax

- a. **Sales Tax.** State law defines which activities are subject to the retail sales tax. Generally, all sales of tangible personal property to consumers for their own use are considered retail sales, as well as a variety of services.

Sales tax is "destination based" for shipped or delivered merchandise and is collected based on the location where the buyer receives or takes possession of the merchandise.

- Destination based tax does not apply to the sales of motor vehicles, trailers, semi-trailers, aircraft, watercraft, modular homes, manufactured and mobile homes, towing services, and florists. Sales tax is based on the seller's location even if the seller delivers the items to customers.
- Sales tax on services are coded to the location where they are performed.
- Over-the-counter (in person) sales are based on the location of the sale.

To look up tax rates, visit the Washington State Department of Revenue (DOR) websites:

- <http://dor.wa.gov/content/home/>
- <http://dor.wa.gov/content/FindTaxesAndRates/UseTax/>
- Use the DOR website "[Taxpedia](#)" to search for tax information.

The following are examples of retail sales that are subject to sales tax (not all-inclusive):

- 1) Construction/installation services (though not applicable to certain right-of-way work)
- 2) Recreation services
- 3) Personal services
- 4) Extended warranties
- 5) Rental or lease of tangible personal property
- 6) Towing services
- 7) Telephone services
- 8) Charges by abstract, title insurance, escrow and credit bureau businesses
- 9) Equipment rental, with or without an operator
- 10) Freight, delivery or shipping charges paid to the seller

- b. **Use Tax** is a tax on goods and certain services that are paid to the state when sales tax is owed but was not collected by the seller. For example, if the seller should have collected sales tax on the sale, or sales tax is owed because the seller is out of state and does not collect Washington sales tax, the City still owes the tax and pays it to the state in the form of use tax. Use tax is destination based. (Reference Chapters [82.12](#) and [82.14](#) RCW, [WAC 458-20-178](#) and [WAC 458-20-17802](#))

Use tax is due if:

- 1) Goods are purchased in another state that does not have a sales tax or a state with a sales tax lower than Washington's. For example, items purchased from a business in Oregon to be used in Washington are subject to use tax.

- 2) Goods are purchased from someone who is not authorized to collect sales tax. For example, purchases of furniture from an individual through a newspaper classified ad or a purchase of artwork from an individual collector.
- 3) Goods are purchased out of state by subscription, through the Internet, or from a mail order catalog company. Some of these companies collect Washington's sales tax, but if the company from which you order does not, the City still must pay use tax.
- 4) Personal property is acquired with the purchase of real property.

NOTE: The following advice was provided to City staff in a May 2011 tax presentation by a DOR representative:

- a. Do not adjust an invoice to correct erroneous or inaccurate sales tax. Request a corrected invoice from the vendor.
- b. Don't pay an incorrect tax amount to the vendor, especially when the tax is more than what is owed. This overpayment is not received by the state, and in essence, is like a gift to the seller.
- c. Do not adjust an invoice to add tax that should have been assessed, but wasn't. Instead pay the tax owed directly to the state in the form of use tax. Or where feasible, e.g., with an in-state vendor, request a corrected invoice.

3. City of Tacoma Business License / Business and Occupation Taxes

All contractors are required to obtain and keep in force during the term of any contract with the City a business license as specified by TMC Subtitle 6B.20. Such contractors shall further pay business and occupation taxes as may be required by TMC Subtitle 6A.30.

4. Washington Business License (aka UBI (Unified Business Identifier) Number)

- a. Respondents to City of Tacoma competitive solicitations should include a Washington State Business License number in the space provided on the submittal Signature Page. If the recommended respondent does not have a Washington State Business License at the time of submittal, it must obtain such license and provide proof thereof to the City of Tacoma prior to contract award. Failure to include a Washington State Business License may be grounds for rejection of the submittal.
- b. Contractors under non-competitively solicited contracts should provide a Washington State Business License number unless waived on a case-by-case basis after consultation with Purchasing and the Legal Department.
- c. Information regarding Washington State Business Licenses may be obtained at <http://www.dol.wa.gov/business/>.

5. Freight/Shipping Terms

Pricing should be sought as "FOB destination, freight prepaid and allowed" (freight charges included in unit price) shipping terms. This means that title (ownership) and risk of loss is transferred to the City only upon delivery and that freight charges are included in unit price quoted by the respondent. It is recommended that quotes be sought using the City's forms. Freight and shipping charges are subject to sales or use tax. (See Section VI. D. 2.)

6. Bonds - Bid Bonds and Performance Bonds

- a. Background and Purpose. As required by state law, City Charter, and/or City Code, bid bond and performance bond provisions must be included in City solicitations and/or

contracts. Even when not legally mandated, use of bid and/or performance bonds may be in the City's best interest and departments/divisions are permitted to require such bonds at their discretion. Requiring a bond as a part of the solicitation and/or contract award process is intended to protect the City against bad faith or failure to perform by respondents or contractors. In such cases, a bond provides a source of funds to prevent loss to the public.

- b. Bid Bonds (aka "proposal bonds") are intended to be a demonstration on the part of the respondent that its bid or proposal was submitted in good faith and to provide protection against such bid or proposal being withdrawn without good cause after it has been opened. Such bonds provide compensation to the City in such events (e.g., the City may force the respondent to forfeit such bond as necessary to prevent public loss). The following bid bond matters should be considered:
 - 1) Bid bonds are mandatory for all sealed solicitations of public works and improvements per City Charter Section 7.11 unless an express waiver has been granted.
 - 2) Bid bonds are not mandatory for non-public works supplies or services contracts and are typically not required for City solicitations \$50,000 or less.
 - 3) If a bid bond is required, it should be clearly stated in the specification documents.
 - 4) The City's standard bid bond form must be used.
 - 5) The amount of the bond or security must be five percent (5%) of the total bid or proposal amount. The five percent may be shown in dollars and cents or may state "five percent of the total amount of the accompanying proposal."
 - 6) A bid or proposal bond may consist of the following forms of security:
 - a) A bond issued by a licensed surety company authorized to do business in the state of Washington, for five percent of the total bid amount. The five percent may be shown in either dollars and cents, or may state "five percent of the total amount of the accompanying proposal";
 - b) Cash; or
 - c) A cashier's check or certified check, payable to the City Treasurer, for five percent of the total bid amount.
 - 7) Return of bid bond/security. When security is in the form of a bid bond, the bond itself will not be returned by the City unless the City has rejected all bids. Unless the City rejects all bids, the bid bond surety for the recommended contract awardee remains obligated. Bid bond sureties for the unsuccessful bidders are not obligated. When cash or checks in lieu of bid bond are submitted by a respondent, Purchasing staff deposits the monies in the City Treasury, under the accounting designated by the project manager in the Notification Memo. Refund of the successful bidder's deposit will be returned after award of the contract, acceptance of the performance bond, and City's receipt of the signed contract. Refunds will be returned to all other bidders either immediately upon the award of the contract, or may be returned sooner at the City's option when the respondent's submittal is considered by Purchasing as significantly out of contention for award.

- c. Performance Bonds (aka “surety bonds” and/or “payment bonds”) insure the contractor will faithfully perform all the provisions of the contract, including payment of all laborers, mechanics, suppliers of materials and equipment, subcontractors, and all persons who supply such person or persons with work and supplies. A performance bond provides funds necessary to satisfy various claims that may arise due the contractor’s failure to perform the contract and also enables the City to obtain substitute performance of the contract by the surety that issued the bond. The following performance bond matters should be considered:
- 1) Performance bonds are mandatory for all public works and improvements contracts per City Charter Section 7.11 unless subject to an exception under state law and/or City Code, or an express waiver has been granted; such as waivers granted to qualified firms under the Small Works Roster process. (See Section XXIV. D.)
 - 2) The amount of the bond or security should be 100 percent of the contract price, but may be reduced to as little as 25 percent at the discretion of the department/division after consultation with the Legal Department.
 - 3) State law (RCW 39.08.010) provides performance bond options for public works and improvements contracts of \$100,000 or less. For example, contracts of \$35,000 or less may allow contractors to select 50 percent retainage in lieu of a performance bond. Performance bonds, under certain circumstances where the contract consists of many individual small dollar projects, may be reduced to 25 percent of total contract price and/or phased by contract year or project stage. Purchasing must approve such reduced bond requirements.
 - 4) Phasing of performance bonds by project phase or contract year as permitted in TMC 1.06.260 B. should only be done after consultation with Purchasing (and the Legal Department as necessary) and clear provisions governing such phasing must be stated in the specification documents.
 - 5) Performance bond requirements are not mandatory for non-public works services or supplies.
 - 6) If a performance bond is required, it should be clearly stated in the specification documents.
 - 7) Performance bonds will only be accepted on City forms, or on a form meeting all City requirements to insure complete performance of the contract, including applicable warranties or guarantees. Such bonds over \$100,000 must be executed by a surety company licensed to do business in the state of Washington. RCW 39.08.010 allows individuals to act as surety on contracts under \$100,000.
 - 8) The City does not typically “release” performance bonds or otherwise return such bonds to the surety issuing them. This is because the bond speaks for itself and once all contract provisions (including warranties and guarantees) have been fully performed, the effect of the bond ends.
- d. Bid and Performance Bonds for Supplies and Supplies Contracts

- 1) Bid and performance bonds are not mandatory for non-public works and improvement solicitations or contracts involving supplies and services. Such bonds may, however, be used for supplies and services at the discretion of the department/division.
- 2) Several factors should be considered in the decision to require a bid and/or performance bond, and in determining the amount of the security required. These factors include:
 - a) Type of product involved. Purchases of custom or specially designed and/or manufactured goods where the City will incur loss if the particular product(s) do not meet City specifications or delivery is delayed.
 - b) Type of service or labor required to perform the contract and whether the City will incur loss if the service/labor is not performed per the specification and/or on time.
 - c) Materials required to perform the contract.
 - d) Past municipal experience and performance of contract, including with the City of Tacoma.
- 3) When unsure whether to require a bid and/or performance bond, consult with Purchasing and the Legal Department as necessary.
- 4) For performance bonds, these additional factors should also be considered:
 - a) Amount and number of subcontracts;
 - b) Damages chargeable to the City if the contractor defaults; and
 - c) Estimated dollar amount of total contract.
- 5) When unsure whether to require a bid and/or performance bond, consult with Purchasing and the Legal Department as necessary.
- 6) If a bid and/or performance bond will be required, that requirement should be clearly stated in the specification documents.
- 7) For supply-type contracts, a cashiers check or cash may be substituted for the bond; however, this cash or cashiers check must remain with the City through the guarantee period and any interest on said amount shall accrue to the City.

7. Retainage

- a. State law (Chapter 60.28, RCW) requires the City to withhold up to five percent (5%) of the contract price earned by the City's contractor during performance of public work and construction contracts. The withheld amount, known as "retainage," is for the benefit of laborers and material suppliers in the event the contractor fails to pay them. Retainage may also be used to satisfy tax claims by the Department of Revenue and/or the City, prevailing wage related claims by the Department of Labor and Industries, unemployment compensation related claims by the Employment Security Department, and contract performance claims by the City itself. Retainage is not paid ("released") to the contractor until appropriate releases are received from the involved state agencies and City departments/divisions (such as the City Clerk, Finance Tax & License, HUB, and LEAP, where applicable).

- b. Under RCW 60.28.011, as the same may be hereafter amended, a contractor has several options in how retainage will be held:
 - 1) The most common is to have the City withhold and retain five percent (5%) from each payment made during performance of the contract in a non-interest bearing fund. (Reference RCW 60.28.011(4)(a))
 - 2) A bond in-lieu-of retainage (aka “retainage bond”) may be submitted by the contractor on the City’s standard form or one that is acceptable to the City for all or any portion of the contract retainage amount. (Reference RCW 60.28.011(6))
 - 3) The amount(s) retained may be deposited by the City in an interest bearing account. Interests on such monies shall be paid to the contractor. This option is disfavored by the City. (Reference RCW 60.28.011(4)(b))
 - 4) An escrow account may be jointly established by the contractor and the City with a bank. This escrow option must utilize the City’s standard forms. The monies placed in escrow must be converted into bonds and securities approved by the City and any interest is paid to the contract as it accrues. (Reference RCW 60.28.011(4)(c))
 - 5) Another option is for the contractor to request, at any time, that the contract retainage be reduced to 100 percent of the value of work remaining on the project. (Reference RCW 60.28.011(3))
- c. Retainage requirements are not mandatory for non-public works supplies or services, but may be used in the discretion of the department/division. Note that even when the City has required a performance bond for these types of contracts, retainage is not held unless specified in the solicitation and contract. This is rare.
- d. Exceptions to retainage requirements may be granted to qualified firms under the Small Works Roster process. (See Section XXIV. D.)
- e. At the conclusion of contract performance, any retainage reserved by the City will be released or otherwise disbursed according to the City’s standardized contract close out process. Each City department/division holding retainage will be responsible for completing the contract close out process associated with that retainage.

8. Prevailing Wages

- a. State law requires prevailing wages to be paid by the contractor on all public works projects and all public building service maintenance contracts. To see the list of applicable labor categories go to State of Washington Department of Labor and Industries. Prevailing wage questions may be directed to the Department of Labor and Industries, Prevailing Wage Section, 360-902-5330. (Reference RCW 39.12.020 and 39.12.030)
- b. Public works contracts require that each and every employer on the project file a Statement of Intent to Pay Prevailing Wages (Intent), and Affidavit of Wages Paid (Affidavit) Public Works contract form regardless of the size of the contract. The forms are filed with L&I and, once they are approved, are submitted by the employer to the City department/division contract administrator or their designee.
- c. For all public works contracts, except janitorial and building service maintenance contracts, the applicable prevailing wage rates shall be those in effect on the submittal

due date. These rates shall remain in effect throughout the duration of the contract. If a contract is not awarded within six months of the submittal due date, the applicable prevailing wage rates shall be those in effect on the date the contract is awarded, and shall remain in effect for the duration of the contract. (Reference WAC 296-127-011 (3) (a) and WAC 296-127-011 (3) (b))

- d. For janitorial and building service maintenance contracts, the prevailing wage rates in effect on the submittal due date are the minimum rates that must be paid for the first year of such contract and thereafter. However, any janitorial and building service maintenance contract of more than one year in duration must include wage increase language specifying that wages will be altered annually to follow the most recent publication of prevailing wage rate. (Reference WAC 296-127-023)
- e. Specification documents must state that workers shall receive the prevailing rate of wage. These documents must also contain a link to, or hard copy of, the applicable prevailing wage rates on the L&I website. Compliance with the law is not met by referring contractors to L&I or other sources to obtain wage rate information.

NOTE: Prevailing wage rates are adjusted twice annually – usually in the spring and fall. For construction projects, the bid opening date (submittal due date) determines the rates that will be in effect through the completion of the project, unless the contract is awarded more than six months after the submittals were due. It is recommended that a copy of the applicable wage rates be retained by the contract administrator for reference purposes.

- f. Public building service maintenance (janitorial) contracts of more than one year duration must include wage language recognizing the potential for future variance in applicable prevailing wages each year after the first year of the contract.
- g. Payments by the City are not allowed when contractors have not submitted an Intent form that has been approved by the L&I industrial statistician. The City may not release retainage until all contractors have submitted an Affidavit form that has been certified by L&I. The requirement to submit these forms should also be stated in the contract.
- h. There is no minimum dollar amount for public work or prevailing wage. Prevailing wages must be paid for any work, construction, alteration, repair or improvement, other than ordinary maintenance, that the City causes to be performed by a private party through a contract to rent, lease, or purchase at least 50 percent of the project by the City.
- i. Prior to contracting for work that will be related to entering into a lease relationship for space in a privately owned building the City must make an accurate determination as to whether the project requires payment of prevailing wage. The determination is based on whether the City is causing the work to be performed and when at least 50 percent of the leased space is going to be occupied by the City. If that is the case, all work performed in conjunction with the project is covered, not just the tenant improvements, and the project is subject to all provisions of RCW 39.12, the Prevailing Wage Act.
- j. Should the City fail to comply the City can be held responsible for any unpaid prevailing wages.

For more details about awarding agency responsibilities, see these state laws (RCW):

Chapters 39.12.010, 39.12.020, 39.12.030, 39.12.040, 39.12.042, 39.12.060 and 39.04.010 RCW.

See also these agency rules (WAC):

WAC 296-127-011, WAC 296-127-013, WAC 296-127-014, WAC 296-127-019, WAC 296-127-025, WAC 296-127-040, WAC 296-127-045, WAC 296-127-060, WAC 296-127-320.

9. Prevailing Wages for Federally Funded Projects.

- a. United States law, including but not limited to the Davis Bacon Act, requires all contractors and subcontractors performing work on federal construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor and must be included in the specification documents either as a link to the applicable prevailing wage rates on the L&I website or as a hard copy. Compliance with state prevailing wage rates does not necessarily ensure compliance with federal rates.
- b. Contact the City's HUB staff for more information.

10. Warranty. It is the City's policy to obtain warranty coverage for purchases of supplies, public works and improvements, and services. Specific warranty provisions are to be determined on a case-by-case basis. For professional/personal services contracts, there are warranty options included in the contract template, which can be selected by use of the Trigger Sheet.

11. Insurance

It is the City's policy to include insurance provisions in its contracts as necessary to enforce such contracts and minimize risk to the City. This policy is applicable to public works and improvements contracts, most services contracts, and some contracts for supplies. The City's standard contract forms contain preferred insurance provisions. Modification or deletion of these changes from these standard insurance provisions, including insurance types and limits, may occur on a case-by-case basis and requires consultation with Purchasing and the Legal Department. The Legal Department will provide a risk analysis regarding such modification or deletion, but the department/division responsible for the subject contract shall make the final determination regarding the extent of risk it is prepared to accept.

In all instances where insurance is required or desired, the contract forms require the contractor's insurance policy to name the City as an additional insured, usually on a primary and non contributory basis. In such instances, a certificate of insurance coverage must be provided to show the types and amounts of coverage, and that the City is an additional insured, and that such insurance is primary and non-contributory with any insurance the City may have. The contractor or vendor should also provide a copy of endorsements to its insurance policy that verify the additional insured, primary and non contributory coverage requirements. It is the responsibility of the department/division to make sure that adequate insurance coverage is maintained throughout a project.

Public works and improvements contracts require the contractor to provide the proof of insurance to Purchasing. Purchasing must be satisfied with the proof of insurance provided, and if the proof of insurance is not satisfactory Purchasing will work with the contractor's insurer in order to obtain the appropriate documentation. Until an acceptable form of proof of insurance is provided, Purchasing will not route the contract for legal and other review.

Professional services contracts that require proof of insurance (certificate of coverage and endorsement(s) as necessary) are to be submitted to the department/division managing the contract within ten days of execution of the contract. The department/division must review the proof of insurance and if there are questions or if the insurance appears unsatisfactory, follow up with Purchasing and/or Legal.

12. Indemnification. It is the City's policy to include indemnification provisions in its contracts as necessary to protect the City against claims for injuries and property damages arising in connection with performance of such contracts. Very generally, indemnification is the process by which the contractor will bear the expense of defending against and satisfying third party claims against the City and the contractor, when those claims relate to the contractor's performance of the contract. Insurance is typically required to assure the City that the contractor has the necessary resources to satisfy its indemnification obligations.
13. HUB (Historically Under-Utilized Businesses). Pursuant to Chapter 1.07, TMC, all purchases of supplies, public works and improvements, and services are subject to the City's policy of promoting access to and equitable participation in City contracts. (See Section XXIV. C.)
14. LEAP (Local Employment and Apprenticeship Program). Pursuant to Chapter 1.90, TMC, **LEAP** is a mandatory City of Tacoma program that requires the prime contractor performing a qualifying public works and improvements project to ensure that 15 percent of the total labor hours worked on the project are performed by Pierce County apprentices approved by the Washington State Apprenticeship Council and/or residents of Tacoma. The 15 percent labor hour goal is known as the LEAP Utilization Goal (LUG). A mandatory sub goal requires the prime contractor to ensure that 25 percent of the LUG is performed by residents of the City of Tacoma's Renewal Community and/or City designated "Target Area." LEAP is required on the following project types:
 - a. Civil projects over \$250,000 (e.g., water main replacements, sewer installations, street pavement, etc.),
 - b. Building projects over \$750,000 (e.g., Convention Center, police headquarters, etc.), and
 - c. Service contracts relating to a public works or improvements projects that use labor at a City site (e.g., a contract for flagging services).
 - d. LEAP requirements are applicable on a case-by-case basis.
15. Specifications with Oversized Plans
An alternate process is in place for posting and distributing specification documents that include oversized plans or drawings. See Section XIV. J.
16. Local Preference in Award of Contracts

The City lacks express authority to award contracts based on preferences to local vendors and contractors. Except as otherwise provided by state law and/or Tacoma Municipal Code, contracts are to be awarded to the lowest and best responsible bidder. The only exception is in the case of an exact tie. In that situation, the City has the authority under TMC 1.06.264 to award to the lowest and best responsible bidder who has a business office within the City's boundaries. In addition, state law includes provisions for imposing penalties ("reciprocity increase") when evaluating bids submitted by vendors located in states with local preference laws. (Reference RCW 43.19.700, 43.19.702, 43.19.704)

RCW 39.30.040 provides authority to consider tax revenue when evaluating submittals for award.

- After the state shifted to [destination based sales tax](#) in July 2008 for most shipped and delivered items, sales tax ceased to be a factor (i.e., revenue generated from sales tax is the same for all vendors, regardless of their location or shipping point). The exception is the purchases of motor vehicles, trailers, semi-trailers, aircraft, watercraft, modular homes, manufactured and mobile homes, towing services, and florists, which are exempt from destination based sales tax. (See Section VI. D. 2.)
- Tacoma Business and Occupation (B&O) tax can be considered, though bid amounts would have to be nearly tied before B&O tax revenue would affect award outcome.

If local vendor or contractor availability or access is a business need, such need should be stated in the specification as a minimum requirement. For example, a repair facility must be located within 30 miles of a city facility address. In the case of a Request for Bids, such stated minimum requirement would have to be met in order for a vendor's or contractor's bid to receive further consideration. In a Request for Proposal, evaluated scoring could include availability, travel time, hours of operation, etc., or other items that don't state the requirement that a vendor be local.

17. Grant Funded Purchases

a. Grants for City Projects

- 1) Departments/Divisions that apply for, receive and administer grant funds, must be familiar with all unique requirements associated with their subject grant with respect to procurement requirements, cost or price analysis, subcontracting, contract administration, etc., and must fully comply with these requirements.
- 2) Where required, departments/divisions administering federal grant funds shall assure that the City is in compliance with the [40 CFR 31.36](#) requirements, as the same may hereafter be amended. Such requirements include maintaining complete contract files that document the rationale for the procurement method (RFP, RFB, RFQ, etc.) and contract type used, the basis for contractor selection or rejection, and the basis for the price established. Also, a cost or price analysis must be performed and documented for every procurement transaction, and when contract award is not the result of a competitive solicitation, profit must be negotiated separately. Refer to Federal [OMB Circular A-133](#), or as may hereafter be amended, for further information describing how federally funded contracts are audited. Consult with your buyer/senior buyer if you have difficulty interpreting specific procurement requirements contained in a grant.
- 3) Particular attention must be given when grant requirements direct how contractors select and award to subcontractors. City staff managing the project are responsible for providing training and direction to ensure all contractors and subcontractors

adhere to the requirements of the grant. Work with the Legal Department to include appropriate terms and conditions in written agreements allowing sub-awards.

- 4) Departments/Divisions are to contact HUB staff **prior to issuing competitive solicitations** for MBE/WBE information required to be submitted with grant reports.

b. Grants for Disbursement of Funds

- 1) Disbursement grants are those where nothing is being purchased by the City; rather funds are merely being "passed through" to other agencies, typically social service agencies.
- 2) When the City manages grant funds that will be disbursed to other agencies an application process is often required. The posting of the grant funding opportunity on the City's website and the evaluation of the submittals serve as the competitive process.
- 3) The miscellaneous invoice payment process is the preferred method of payment for pass-through disbursement type grant payments.

c. Federal Transparency Act

The federal government enacted the Federal Funding Accountability and Transparency Act, hereafter FFATA or Transparency Act, effective October 1, 2010. This act requires the federal Office of Management and Budget (OMB) to maintain a single, publicly available, searchable website that contains information about all Federal spending awards. Public agencies receiving federal grants must disclose information about sub-awards by using the FFATA Sub-Award Reporting System (FSRS) to report all first-tier sub-awards of \$25,000 or more. Awardees must register with the Central Contractor Registry (CCR).

There is only one form required for each grant or contract. Federal grant sub-award data forms for each new grant or contract must be completed by the 25th of each month and forwarded to the city Finance Department, Tacoma Municipal Building, room 132. Finance will report the sub-awards on the FSRS website each month. The form is located on the Finance intranet site under Documents and Forms. For more information or assistance please contact the Department of Finance, Accounting Services Division.

The sub-award information required for reporting includes the following:

- 1) Name of entity receiving sub-award;
- 2) Amount of sub-award;
- 3) Federal funding agency;
- 4) The NAICS code for contracts/CFDA program number for grants;
- 5) Program source;
- 6) Award title descriptive of the purpose of the funding action;
- 7) Location of the sub-awardee (including congressional district);
- 8) Place of performance (including congressional district);
- 9) Unique identifier of the sub-awardee and its parent (DUNS #); and
- 10) Total compensation and names of the sub-awardee's top five executives.

Awardees must report executive compensation information for sub-awardees if:

- 1) More than 80 percent of the sub-awardees' annual gross revenues are from the federal government, and those revenues are greater than \$25M annually; and
- 2) Compensation information is not already available through reporting to the SEC.

18. Advance or Pre-Payments

The City does not make advance or pre-payments for supplies or services except when the option for advance payment is written into a contract, or for items where pre-payment is standard, such as subscriptions, conference registrations, insurance premiums, rent, software maintenance and support, airline tickets, etc. Exceptions must be approved by the Director of Finance on a case-by-case basis. (Reference Chapter 42.24, RCW)

VII. SUPPLIES CONTRACTS (Goods and Materials)

A. Overview. Purchases of supplies, goods, materials, and/or equipment that are not part of a public works and improvements contract are typically conducted using the Request for Bids (RFB) process, which may be sealed or unsealed, with price being the primary factor in the contract award decision. Purchases of custom or specialty goods, and/or products that are subject to proprietary design or similar rights, are sometimes conducted using the Request for Proposal (RFP) process, with price performance criteria as well as price being factors in the contract award decision. Unless a waiver applies (e.g., sole source, not practicable or emergency), all supplies must be procured by competitive solicitation.

1. Contact your Purchasing representative to discuss whether the RFB or RFP process best fits your situation. (See Sections XII., XIV. and XV.)
2. Citywide contracts are established for various supplies. Contact your Purchasing representative to see if the City already has a contract for the supplies you want to purchase. (See Section XX.)

B. Terms and Conditions Applicable to Purchases of Supplies

1. The City has standardized provisions applicable to the solicitation and purchase of supplies. Section I (Solicitation) and Section II (Supplies) of the City's Standard Terms and Conditions form should be used for all sealed solicitations for supplies unless otherwise authorized by Purchasing.
2. Sales and Use Tax. With rare exception, purchases of supplies are subject to sales or use tax. (See Section VI. D. 2.)
3. Freight/Shipping Terms. The City's standard for freight and shipping is FOB Destination, freight pre-paid and allowed (included in unit price). This standard is included in the terms and conditions of specifications, purchase orders, and SAP contracts. In SAP the corresponding "incoterms" code is *DA*. (See Section VI. D. 5.)

C. Additional Considerations. Please refer to Section VI. D. (Additional/Special Considerations) for guidance regarding the following additional requirements and topics that may apply to procurement of supplies.

1. Choice of Contract Form. A purchase order or one page contract are typically used for supplies contracts.
2. Use of Bid and Performance Bonds. Such bonds may be incorporated into the RFB (or RFP) depending on the items being purchased, but they are not standard requirements.
3. Warranty. The City's Standard Terms and Conditions form contains minimal warranty provisions. Additional or different warranty coverage may be desirable based on the type of goods or materials being purchased. Please consult with your Purchasing representative and/or the Legal Department as needed.
4. Insurance. Specific coverage types and limits may be incorporated into the RFB (or RFP), but are not mandatory for purchases of supplies.

5. Indemnification. Specific provisions may be incorporated into the RFB (or RFP), such as when unique conditions apply to delivery of goods on City property.
 6. HUB program. This program applies to all City contracts for supplies. Consult your Purchasing representative for procedures applicable to your purchase.
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VIII. SERVICES CONTRACTS

A. Purchased Services. Purchased services are services provided by a contractor to accomplish basic, day-to-day tasks and include, but are not limited to, janitorial, landscaping, grounds maintenance or monitoring, simple equipment maintenance and repair, window washing, etc. These types of services are more repetitive, routine or mechanical in nature and follow established or standardized procedures rather than performance criteria that require exercise of discretion or independent judgment. Purchased services generally involve the completion of an assigned task rather than an entire project. Purchased services are typically procured through the use of an Informal Bid, sealed Request for Bids (RFB) or Request for Proposals (RFP), unless a waiver of competitive solicitation applies. (See Section XXI.)

1. Standard Terms and Conditions Applicable to Purchased Services.

The City has standardized provisions applicable to the solicitation and purchase of services. Section I (Solicitation) and Section II (Services) of the City's Standard Terms and Conditions form should be used for all solicitations for services unless otherwise authorized by Purchasing.

2. Sales and Use Tax. Purchased services typically require sales or use tax. (See Section VI. D. 2.)

3. Additional Considerations. Please refer to Section VI. D. (Additional/Special Considerations) for guidance regarding the following additional requirements and topics that may apply to procurement of purchased services:

- a. Choice of Contract Form. A purchase order, one page contract form, Purchased Services Contract form, or a Statement of Services (SOS) form if under \$25,000, are typically used for Purchased Services.
- b. Use of Bid and/or Performance Bonds. Requirements for such bonds may be incorporated into the Informal Bid, RFB, or RFP, but they are not standard requirements.
- c. Warranty. The City's Standard Terms and Conditions form contains minimal warranty provisions. Additional or different warranty coverage may be desirable depending on the particular service involved. Please consult with your Purchasing representative and/or the Legal Department as needed.
- d. Insurance. Specific coverage types and limits may be incorporated into the solicitation and contract; particularly when indemnification provisions are included.
- e. Indemnification. Such provisions are typically incorporated into the solicitation and contract when the particular service will be performed on City property.
- f. HUB program. This program applies to all City contracts for services. Consult your Purchasing representative for procedures applicable to your purchase.
- g. Prevailing Wages. Such provisions must be included for janitorial services and for other services for which the Department of Labor & Industries has established wage classifications.

B. Professional/Personal Services. These services involve performance based criteria and exercise of discretion and independent judgment in providing analysis, recommendations, technical deliverables, training, and/or specialized project based services. These services are typically procured through the use of Request for Bids (RFB) or Request for Proposals (RFP), unless a waiver of competitive solicitation applies.

Examples of professional services include consulting services that typically require or involve special licensing, certifications, and/or training, such as architectural services, engineering services, land surveyor, landscape architect, and legal services. Examples of personal services include executive recruitment, facilities planning, training, management consulting, translation services, and software maintenance.

1. Standard Terms and Conditions Applicable to Professional/ Personal Services.
The City has standardized provisions applicable to the solicitation and purchase of services. Section I (Solicitation) and Section II (Services) of the City's Standard Terms and Conditions form are typically used for solicitations of Professional and Personal Services unless otherwise authorized by Purchasing.
2. Sales and Use Tax. Some types of professional services require sales or use tax, while others do not; however, taxes are often owed on purchases of personal services. (See Section VI. D. 2.)
3. Additional Considerations. Please refer to Section VI. D. (Additional/Special Considerations) for guidance regarding the following additional requirements and topics that may apply to procurement of professional/personal services:
 - a. Choice of Contract Form. The City's standard professional services contract form is typically used. However, a customized personal services contract, or a Statement of Services (SOS) contract, if under \$25,000, may be used. Contact your Purchasing representative or the Legal Department to determine which option best fits your transaction.
 - b. Use of Bid and/or Performance Bonds. Requirements for such bonds may be incorporated into the RFB or RFP, but they are not standard requirements
 - c. Warranty. The professional and/or personal services contract form contains standard warranty provisions. Modification of those provisions requires consultation with the Legal Department.
 - d. Insurance. The professional and/or personal services contract form contains standard insurance provisions. Modification or deletion of those provisions requires prior consultation with the Legal Department. The department/division is responsible to ensure required insurance is in place and maintained.
 - e. Indemnification. All contract forms used by the City for professional and/or personal services include indemnification provisions. Modification or deletion of those provisions requires prior consultation with the Legal Department.
 - f. HUB program. This program applies to all City contracts for services. Consult your Purchasing representative for procedures applicable to your purchase.

C. Architectural and Engineering (A&E) Services. Additional rules regarding solicitation and contracting of architectural and engineering services, including rosters, are contained in Chapter 39.80, RCW. The method of solicitation for these types of professional services is typically by Request for Qualifications, though sometimes may be by Request for Proposals, depending on circumstances. These services shall be competitively solicited unless an authorized waiver applies. Waivers are limited to emergencies and sole source situations where there is only one reasonable provider who can perform the services. (See Sections XV, XVI, XXI.). Selection of firms or individuals from the City's A&E roster is an acceptable method of competitive solicitation for these types of services. (See subsection 5. below.)

1. See Chapter 18.08, RCW for information on how the state defines and regulates architects. For definitions and regulations applicable to engineers, see Chapter 18.43, RCW. For landscape architects, go to Chapter 18.96, RCW.
 - a. Purchasing maintains a list of firms and individuals that provide architectural and engineering services as defined by state law ("A&E Roster"). This roster includes firms and individuals that offer to perform services in the capacity of, or under a claim of being, an architect or engineer. (See subsection 5. below.)
 - b. The A&E Roster may not be used to procure professional services that are not defined as architectural or engineering under state law. Thus, construction, maintenance and repair services, biological surveys, archeological digs, etc., typically cannot be procured using the A&E Roster unless performed by or under the direct supervision of an architect or engineer.
2. Standard Terms and Conditions Applicable to A&E Services
 - a. The City has standardized provisions applicable to the solicitation and purchase of services. As with Professional Services, Section I (Solicitation) and Section II (Services) of the City's Standard Terms and Conditions form are typically used for solicitations of A&E services unless otherwise authorized by Purchasing.
 - b. The Standard Terms and Conditions may be modified or deleted to the extent covered by or in conflict with the resulting contract after consultation with the Legal Department.
3. Architectural and engineering services, which are classified as professional services, typically do not require sales or use tax. (See Section VI. D. 2.)
4. Additional Considerations. Please refer to Section VI. D. (Additional/Special Considerations) for guidance regarding the following additional requirements and topics that may apply to procurement of professional/personal services:
 - a. Choice of Contract Form
 - b. Use of Bid Bond
 - c. Use of Performance Bond
 - d. Warranty
 - e. Insurance
 - f. Indemnification
 - g. HUB program

5. Tacoma's [Citywide A&E Roster \(Non-LAG\)](#) puts City staff in touch with consultants available to work on architectural or engineering projects, excluding projects with state or federal funding that require the use of Washington State Department of Transportation (WSDOT) Local Agency Guidelines (LAG). Use of the citywide A&E roster maintained by Purchasing is an acceptable method of competitively soliciting architectural and engineering services.
 - a. Step-by-step process for using the citywide A&E roster (non-LAG):
 - 1) Confirm that your project does not include state or federal funding requiring the use of [WSDOT Local Agency Guidelines](#). The LAG Manual provides policies and standards for local agencies to follow when using Federal Highway Administration (FHWA) funds for transportation projects.
 - 2) Use the A&E Roster to search for potential consultants by category or type of service (Prof Type Summary tab), for example, civil engineer or landscape architect. Click the vendor link in the spreadsheet, if available, or visit the Purchasing office during regular business hours, to review statements of qualifications and performance data for the firms or individuals listed.
 - 3) Evaluate the statements of qualifications and performance data to determine if the firm or individual is qualified to perform the type of architectural or engineering service to be procured.
 - NOTE: Purchasing does not conduct a pre-qualification or evaluation process of firms or individuals included on the A&E Roster. It is the responsibility of the department/division to evaluate submittals and verify that a firm is qualified to do the contracted work. This evaluation must be documented by the department/division.
 - 4) Select the firm or individual determined to be as most highly qualified for the project or work to be performed, and that best meets the needs of the department/division.
 - NOTE: The selection of the most highly qualified firm requires evaluation of qualifications without regard to price. Once the most highly qualified firm has been determined, price may be considered in deciding whether to execute a contract.
 - 5) Work with Legal to negotiate a professional services contract. If the amount is less than \$25,000, a Statement of Services (SOS) contract may be used in lieu of the professional services contract, unless the project contains a level of complexity that would require a professional services contract. Be sure to reference the specification number in whichever format you use.
 - 6) Once the contract is finalized, send a copy of the contract to your assigned buyer or senior buyer, who will create a contract in SAP and provide you the SAP contract number. (Note: If the service is a one-time payment situation, a SAP contract may not be needed; work with your buyer to make this determination.)
 - 7) When you are ready to order services, create a purchase requisition, 'link' it to the SAP contract and set the "purchasing group" to your buyer, who will then create the

purchase order. (Some department/division end users have the authority to create purchase orders \$5,000 or less.)

b. Questions about the A&E Roster

If you have questions about how to use the roster, please contact your assigned buyer or senior buyer.

D. Statement of Services Contracts

The statement of services contract is a short-form contract for personal, professional and community services in the amount of \$25,000 or less. It is intended for uncomplicated, small-dollar service projects and is used in lieu of a standard professional/personal services contract. It may not be used for purchased services.

If there is any expectation that the total cost of the services, before tax, will exceed \$25,000, do not use the SOS process. If the **anticipated services contract amount exceeds \$25,000, one of the City's other standard contract forms must be used.** Projects shall not be split or divided to circumvent the \$25,000 limit.

If an executed SOS contract needs to be revised, whether to change the contract term, price or scope of work, departments/divisions are to work with Legal to amend the SOS contract.

A statement of services contract may not be used to purchase goods and materials, public works and improvements projects, or any work that requires payment of prevailing wages or the holding of retainage. For example, construction and most maintenance services are excluded.

1. Competitive Solicitation Required

Statement of services contracts are subject to requirements of Tacoma Municipal Code. TMC 1.06.256 (B) requires competitive solicitation of all services. Wherever possible, services should be procured as a result of a request for bids, request for proposals or request for qualifications, as appropriate, unless an approved waiver of competitive solicitation has been approved.

The Direct Solicitation and Negotiation of Professional Services and Personal Services Policy establishes procedures for City Manager or Director of Utilities, or their respective designees, to waive competitive solicitation of professional and personal services. The City Manager and Director of Utilities have delegated their authority to waive professional/personal service contracts with a proposed aggregate total of \$25,000 or less to department directors for General Government or division managers for Tacoma Public Utilities, respectively.

a. Direct Solicitation and Negotiation of Professional Services and Personal Services may not be used for architectural or engineering services. (See subsection C. Architectural and Engineering (A&E) Services above)

b. If an A&E roster is used in lieu of an independent project specific competitive solicitation, the department/division is responsible for evaluating vendor qualifications and shall certify on the SOS form that such evaluation was conducted.

2. Insurance.

Insurance requirements are dependent upon the complexity of the services being procured. Modifying or removing standard insurance requirements included in the SOS form requires prior consultation with the Legal Department.

3. HUB Utilization.

Contact HUB staff to locate qualified professional/personal services vendors in the Historically Underutilized Businesses (HUB) Program prior to conducting a competitive solicitation or seeking a waiver.

4. How to Use a Statement of Services Contract.

- a. Once either competitive solicitation has been conducted or appropriate waiver of competitive solicitation has been obtained, complete a statement of services contract form (located on the [Purchasing](#) website in [Contract Forms and Templates](#)).
- b. Submit the executed SOS contract to your buyer for SAP contract creation.
- c. Create a purchase requisition referencing the SAP contract.
- d. A purchase order is created by Purchasing Division staff, or by the department/division where authorized (\$5,000 or less before tax).
- e. Input a service entry sheet (SES) or goods receipt (MIGO) when contracted tasks have been completed. This confirms that the service has been rendered, and tells Accounts Payable that it is okay to make payment.

NOTE: The miscellaneous invoice payment process may not be used to make payments against SOS contracts executed or amended after January 1, 2009.

5. Contact your buyer for guidance on what qualifies to be purchased using an SOS contract.
6. If a Contractor for architectural or engineering services was selected using the A&E roster, you must certify (by checking the appropriate box on the SOS contract template) that the Contractor's qualifications were evaluated.
7. Contact the Legal Department for risk consultation and possible use of additional insurance provisions if services include work on City property that involves greater than minimal risk of personal injury or property damage.
8. Contact Legal before sending the SOS Contract to the proposed Contractor for review or signature.

IX. PUBLIC WORKS AND IMPROVEMENTS CONTRACTS (Construction/Labor)

A. Overview. Public work is all work, labor, construction, alteration, repair or improvement that is executed at the cost of the state or any other local public agency. This includes, but is not limited to, demolition, remodeling, renovation, road construction, building construction, ferry construction and utilities construction. RCW 39.04.010. Public works and improvements do not include ordinary maintenance, but care must be taken to comply with state prevailing wage laws for all labor related contracts. Ordinary maintenance is defined as regularly scheduled work that is performed by the agency (City staff) itself.

1. The buyer, together with the department/division (not the contractor), must determine whether a project involves “public work” and communicate that to bidders via the specification documents and contracts.
2. Public works and improvements (PWI) must be competitively solicited, unless a waiver applies (e.g., sole source, not practicable, or emergency). Solicitations are generally conducted by Request for Bids, which may be sealed or unsealed. However, it is common for public works and improvements purchases between \$50,001 and \$200,000 to be solicited as sealed bids and opened as part of the regular formal bid opening process. Contact your buying staff representative for more information.
 - a. In limited circumstances, and/or as expressly authorized by state law, such as the alternative public works contracting procedures in RCW 39.10 (such as design-build), a Request for Qualification and/or Request for Proposals is conducted for public works and improvements. Use of either process is very infrequent. (See Sections XV. and XVI.)
3. All solicitations for public works and improvements are conducted by Purchasing. Purchasing staff prepare and issue contracts/purchase orders for public works and improvements contracts of \$5,000 or less unless an exception has been granted by Purchasing to a department/division under appropriate circumstances.

B. Terms and Conditions Applicable to Public Works and Improvements

While the solicitation process for public works and improvements (PWI) is generally the same as other types of purchases, the terms and conditions contained in PWI specifications are unique to PWI. The Washington Standard Specifications, issued by WSDOT, are often used. However, some City departments/divisions (such as Tacoma Power) typically use an alternative specification format known as the “General Provisions,” “Special Provisions,” and “Technical Provisions.” Contact your buying staff representative for more information. Regardless of which set of terms and conditions is chosen, the following state mandated requirements apply to all PWI transactions:

1. Bid Bonds and Performance Bonds. (See Section VI. D. 6.)
2. Prevailing Wages, including those required by the Davis Bacon and Related Acts for federally funded projects. (See Sections VI. D. 8. and VI. D. 89)
3. Retainage. (See Section VI. D. 7.)

4. Specific Licensing Requirements.
 - a. Prequalified electrical contractor status. (RCW 35.92.350) Additional information for this requirement can be found at Tacoma Power's Prequalification of Electrical Contractors web page.
5. Bidder Responsibility Requirements. (RCW 39.04.350)
 - a. Current certificate of registration as a contractor (must be in effect at the time of bid submittal). (RCW 18.27.020)
 - b. Current Washington Unified Business Identifier (UBI) number.
 - c. If applicable:
 - ◆ Up-to-date Workers' Compensation premiums payments.
 - ◆ Washington Employment Security Department number, as required in Title 50 RCW.
 - ◆ Department of Revenue state excise tax registration number, as required in Title 82 RCW.
6. The contractor must NOT be disqualified from bidding on any public works contract under RCW 39.06.010 (unlicensed or unregistered contractors) or 39.12.065 (3) (prevailing wages).
7. Sales tax. State sales tax is applicable to all PWI contracts unless expressly permitted by state law. The bid proposal page must include a separate line for sales tax beneath the bid amount to derive the total bid price. (See Section VI. D. 2.)

C. The following CITY MANDATED requirements apply to all PWI transactions:

1. HUB (Historically Under-Utilized Businesses) (See Section XXIV. C.)
2. LEAP (Local Employment and Apprenticeship Program) (See Section VI. D. 14.)

D. Additional Considerations. Please refer to Section VI. D. (Additional/Special Considerations) for guidance regarding the following additional requirements and topics that may apply to procurement of public works and improvements.

- a. Choice of Contract Form. The City's standard one page contract form is used. This contract form references and incorporates all specification provisions, plans, drawings, etc., as well as the successful bid. The contract is sent to the successful bidder with the City's award letter, performance bond form, and insurance requirements.
- b. Warranty. PWI specification provisions include standard warranty requirements. Those warranty provisions may be modified as needed for the particular project, but consultation with Purchasing and/or the Legal Department is advised.
- c. Insurance. PWI specification provisions include the City's standard insurance requirements. For PWI projects costing more than \$500,000, excess insurance coverage is required. Purchasing will conduct an insurance compliance review prior to the City's acceptance of a contract and no notice to proceed should be issued until such compliance is confirmed. It is particularly important that endorsements to the

contractor's policy be submitted with the certificate of liability insurance to verify the City has been named an additional insured and that the coverage is primary to and non-contributory with any insurance the City may. Failure to do so will delay contract issuance.

- d. Indemnification. PWI specification provisions include standard indemnification requirements. Modification of such provisions requires prior consultation with the Legal Department.

****For solicitations with oversized drawings, see Section XIV. J. for special instructions.***

X. \$5,000 OR LESS (including freight)

A. Limited Purchasing Authority, \$5,000 or less, including freight, excluding sales tax, is delegated to departments/divisions for non-repetitive purchases of supplies and materials, and limited services, except:

1. Public works and improvements (construction and labor) contracts are excluded.
 - a. All public works and improvements contracts/purchase orders are prepared and issued by Purchasing staff unless an exception has been granted by Purchasing to a department/division under appropriate circumstances.
 - b. Requirements regarding prevailing wages, retainage and insurance are not waived for projects at or below this dollar threshold.
2. Architectural and engineering services are excluded. State law requires a competitive process for all architectural and engineering services, regardless of dollar amount.
3. Purchases of fixed asset items are excluded.
4. If you are uncertain whether your purchase is eligible within this limited purchasing authority, contact your Purchasing representative to discuss specifics about your particular project. (See Section II. Best Practices and Directives)

B. Procurement Mechanisms

1. Eligible purchases \$5,000 or less may be procured either by procurement card or purchase order.
 - a. Purchasing staff or department/division (if authorized) issues purchase order, or
 - b. Department/Division uses procurement card (subject to dollar limits and restrictions).
 - c. Purchase orders are to be created and provided to the vendor in advance of placing the order and receipt of goods or services.
2. Eligible purchases may be made under Citywide Contracts. Departments/Divisions must carefully review the citywide contracts established by Purchasing to ensure they understand the parameters for use and instructions for placing orders.
3. Requirements for prevailing wages are NOT waived for small dollar purchases

C. Competitive Solicitation is not required for single purchases \$5,000 or less, however, collecting written quotes to garner the best price for the City is strongly recommended.

1. Collecting written quotes helps departments/divisions assure the purchase is from the source most beneficial to the City, and documents price information from vendor(s).
2. If shipping is applicable, standard practice is F.O.B. destination, freight pre-paid and included.

D. HUB. Departments/Divisions will develop procedures to encourage consideration of HUB firms for those purchases within their delegated authority. For requests sent to Purchasing, Purchasing staff will endeavor to identify HUB firms that could provide the desired goods or services.

E. Splitting Purchases. Multiple purchases, or the splitting of purchases into smaller blocks to avoid or otherwise circumvent the delegated purchasing authority limit, is prohibited.

XI. SOLICITATION BY THREE WRITTEN QUOTES (\$5,001 - \$25,000)

A. Requirements and Methods

The competitive quote process is typically used for smaller dollar purchase of supplies. Some services, excluding architectural and engineering services, and public works and improvements (construction/labor), may be allowed on a case-by-case basis. Consult your buyer for guidance.

1. Citywide contracts. Before individual solicitations are conducted, check the list of citywide contracts to see if what you are buying is already on contract. This saves you time and saves money for the City.
2. Written quotes are required. A minimum of three quotations shall be sought by the originating department/division or by Purchasing on their behalf. Fax or e-mail quotes are acceptable, but all such quotes must contain the same information from each respondent as to total cost including freight.
3. City Forms. It is recommended that written quotes be sought using the City's forms. Requests for written quotes should be made in writing, with terms and conditions attached. Written requests for quotes are particularly important when purchasing approved services as additional terms may be required (e.g., insurance, etc.) Contact your buyer for help.
4. Prices and Shipping Terms. Pricing should be based on "f.o.b. destination, freight prepaid and allowed" shipping terms. This means that title (ownership) and risk of loss is transferred to the City only upon delivery and that freight charges are included in unit price quoted by the respondent.
5. Award. Award shall be made to the vendor submitting the lowest and best responsible quote. See Responsibility Factors.

B. If Quote Process is Conducted by Department/Division

To expedite purchases of supplies and appropriate services valued \$5,001 - \$25,000, department/division staff may (but are not required to) obtain quotes themselves.

Once quotes are obtained, the following steps are to be taken:

1. Create purchase requisition in SAP and code it to your buyer's PGroup (purchasing group). Purchasing will create the purchase order.

Note: For supplies or services that will be delivered over a period of time, Purchasing staff may prepare and issue a SAP contract.

- a. List the recommended vendor in the "Desired Vendor" field. If there are multiple vendor account numbers with the same name, contact your buyer for help. If no vendor exists, submit a [vendor request form](#) and complete the requisition once a vendor number is obtained.
- b. Be sure to note that three written quotes have been obtained in the purchase requisition "header notes" field. Reference the specific quote information provided by the awarded

vendor, e.g., "Per e-mail quotation from J. Smith dated x/xx/xx", "quotation number 1234", etc.) as well as any pertinent order information to be provided to the vendor. See "Tips – Creating Purchase Requisitions."

3. Provide quote documentation to your buyer, including vendors contacted, quotes received, complete product description and/or service requirements, and all award conditions (e.g., delivery requirements and packaging):
 - a. Scan and attach quote documentation to the purchase requisition in SAP, or
 - b. Send quote documentation to buyer via e-mail (be sure to include the requisition number in the message), or
 - c. Send printed quote documentation via inter-office mail to your buyer (be sure to include the requisition number).
4. Purchasing reviews quotes for consistency and adherence to policies/laws, and reserves the right to reject quotes, and instead conduct an informal bid, or take other steps to ensure that the purchase is consistent with policy.

C. If Quote Process is Conducted by Purchasing Staff

Purchasing staff may obtain vendor quotes on behalf of the department/division.

1. Prepare the purchase requisition, including instructions in the "header notes" requesting a bid be conducted, or submit a bid notification form. Include the following:
 - a. Detailed information about what's needed, including description, quantity, purpose, minimum requirements and any special requirements, such as warranty needed, timelines, etc.
 - b. Names and contact information (e-mail, fax, phone) for known vendors (if any) who may provide the supply/service.
 - c. Department/Division contact person for technical questions.
 - d. Any special instructions for the buyer. See "Tips – Creating Purchase Requisitions."

D. Three Written Quotes – FAQs

1. **What is the purpose of three written quote process?** The three written quote process provides departments/divisions with a method to procure low cost items in an expedited manner. This method can be used for both supplies and services up to \$25,000 (the quote process is not required for purchases of \$5,000 or less, but may be used.)
2. **What are the required procedures?** Three viable quotes must be obtained, if available. Quotes must be written, faxed, or e-mailed. Documentation is required, including vendors contacted, quotes received, complete product description and/or service requirements, and all award conditions (e.g., delivery requirements and packaging). The award is to be made to the lowest and best responsible quoter.

3. **What if three vendors are not available?** This may happen occasionally. If three are not available, include a short explanation why. Remember, you have to justify how you selected your vendors, so use good judgment.
4. **Can factors other than cost be used when evaluating quotes?** Yes. It is allowable to use criteria other than cost (e.g., qualifications, available staff, delivery timelines, etc.) in making an award. When requesting quotes where criteria other than price will be considered vendors should be informed, in writing, of the criteria and their relative importance prior to accepting a response.
5. **Is it okay to fax a quote page to vendors rather than calling each one?** Yes. Fax, e-mail or posting on the Purchasing website (by purchasing staff) is preferred over verbal requests. This assures all of your conditions are provided to vendors with less chance for misinterpretation.
6. **What if I estimate the product to be under \$25,000, and all quotes come in above \$25,000?** If the lowest and best responsible quote is significantly higher in price than anticipated, do not make an award. Contact your buyer to re-bid using other methods (informal bid or proposal) or for additional help.
7. **Does purchasing need to issue an SAP contract, or just a purchase order?** If supplies or services will be delivered over time, it's preferable to issue an SAP contract. For single transactions, a purchase order is appropriate.
8. **Can I use a procurement card for payment?** Yes, in many cases the PCard may be used as a payment method. For purchases above your PCard transaction limit, see the Procurement Card Policy for instruction in obtaining a temporary lift, or contact the procurement card program manager for further information.
9. **Can I use the three-written quote process if I want the ability to renew the contract?** Maybe, however, if the total cost, including both the initial contract period, plus any possible renewal(s) exceeds \$25,000, departments/divisions must use the form of competitive solicitation required for the dollar amount and type of purchase at issue. Three written quote process is designed for one-time or small-dollar purchases that do not exceed an aggregate total contract value \$25,000. Contact your buyer for help.

XII. INFORMAL SOLICITATIONS – REQUEST FOR BIDS – \$200,000 or Less

A. Purpose and Overview – Informal Request for Bids

The informal bid solicitation process is typically used for purchases of supplies, purchased services and public works and improvements with an aggregate contract total of \$200,000 (excluding sales tax) or less, or where otherwise exempt from competitive solicitation requirements under the purchasing Code. The solicitation method may be by Request for Bid (sealed or unsealed), Request for Proposal (sealed) or Request for Qualifications (sealed), as appropriate. Professional and personal services, other than architectural and engineering services, are typically procured via a sealed solicitation process, most commonly a Request for Proposal. (See Sections VII., VIII., IX., XIII., XIV., XV., and XVI.)

1. The informal competitive solicitation method is substantially comparable to formal sealed solicitation processes, with the following exceptions:
 - a. Informal solicitations are posted on the Purchasing Internet website, but are not required to be advertised in the City's official publication, however, they can be advertised at the request (and expense) of the department/division.
 - b. Bid openings are conducted at 11:00 a.m. by Purchasing staff, but depending on whether the solicitation is sealed or unsealed, bid opening processes vary:
 - 1) Unsealed bids are generally not read in public, and bid opening day may be held any weekday other than Tuesday.
 - 2) Sealed informal bids are opened on Tuesdays and are read aloud during public bid opening.
2. Informal bids are generally unsealed, however, it is common for public works and improvements purchases between \$50,001 and \$200,000 to be solicited as sealed bids and opened as part of the regular formal bid opening process. Contact your senior buyer for guidance.
3. For awards of informal competitive solicitations with an aggregate contract total of \$200,000 (excluding sale tax) or less, City Council or Public Utility Board approval is not required. However, care must be given to assure that all potential term extensions, contract renewals and/or other administrative amendments are considered when determining whether the aggregate contract total meets the informal criteria.
4. Protests, if any, are heard by the Procurement and Payables Division manager whose decision shall be final. See Section XVII. for details regarding protests of informal bid awards.

B. Specification Preparation – Informal Request for Bids

1. Specifications provide a precise description of the critical features a supply or service must have to satisfy a department's/division's needs. A specification should be written from the general to the specific. The following outline may be used as a guideline:
 - a. Identify Supply or Service. Begin a specification by listing the name of the supply or service sought, for example, "compact sedan," or "photocopier maintenance." Avoid listing a specific brand name in the title except where the department/division has standardized to a specific item. (See subsection e. immediately below.)
 - b. Purpose/Use for Supply or Service. State the purpose for which the item will be used. For example, a lawn mower specification might be "suitable for daily use (4-6 hours) on a large grounds complex." Vendors should know the City's intended use to decide what type of product to bid.
 - c. Description of Supply or Service. List all the critical features the product must perform or have to meet department/division requirements. Use a specification that indicates performance requirements if the department/division is interested in the end product. Use a design specification, which details how a product is engineered, if the department/division is interested in how a product will achieve that end result, or if the department/division has a specific physical requirement for the product. Departments/Divisions should recognize that it is difficult to draft design specifications without being restrictive and limiting competition. A combination of performance and design requirements is often the most ideal specification.
 - d. Identify the minimum requirements, but make sure the stated minimum is a product that will satisfy the department/division needs. If there are brand-name-or-equal products that are of the appropriate quality level, list several of the brand names and model numbers, indicating the level or quality desired.
 - e. Standardized supplies. In special circumstances, departments/divisions may wish to standardize equipment to meet specific needs, such as compatibility with existing equipment, accessories, and replacement parts. Careful consideration must be given when limiting specifications to a brand name/model, as market conditions are constantly changing and newer, more efficient or less costly equipment may be available. Wherever possible, the specification should invite bidders to propose "equal or better" equipment. Departments/Divisions should conduct product research to locate additional brands that may meet their needs.
 - f. List Special Requirements. Provide any special requirements that the product or vendor must perform. Warranty, service, parts, and training requirements must be listed.
 - g. Unusual Conditions. Describe any unusual conditions, such as installation, field test requirements, funding source availability, etc.
 - h. Receiving Procedures. Describe if necessary, any receiving procedures (if testing, sampling, or other evaluation will be performed when commodity is delivered to determine acceptability).

- i. Contract Term. If supplies or services will be delivered over a period of time, identify the initial contract term, any options for contract renewals and allowable terms for price adjustments, if any.
 - j. Where specified by law, bid bond, performance bond and retainage requirements must be incorporated into the specification. When not required by law, these may be used and included in the specification at the discretion of the department/division. For example, the purchase of specially designed or manufactured goods and/or where the City will incur damages if delivery is delayed or the product does not meet specifications. (See Section VI. D. 6.)
2. HUB and Equal Opportunity documentation will be required from respondents when deemed reasonably necessary by HUB staff to administer and enforce the provisions of Chapter 1.07, TMC. See the HUB website for more information.
 3. Prevailing Wage Requirements. If prevailing wages are required, the specifications must include the necessary prevailing wage information

C. Solicitation Procedure – Informal Request for Bids. The originating department/division and Purchasing will work cooperatively to prepare the informal competitive solicitation.

1. **Department/Division (or Purchasing)** assigns new [bid number](#) (aka specification number) for the solicitation using the bid numbering application on the Purchasing intranet site.
2. To initiate the process submit a bid [Notification Memo](#). The following additional steps should also be taken:
 - a. Prepare a purchase requisition and include the following:
 - 1) Include detailed information about what's needed, including description, quantity, purpose, minimum requirements and any special requirements, such as warranty needed, timelines, etc.
 - 2) Provide names and contact information (e-mail, fax, phone) for known vendors (if any) who may provide the supply/service.
 - 3) Include department/division contact name, phone number and email address for technical questions.
 - 4) Inform Purchasing staff of any special instructions.
 - 5) See also "Tips – Creating Purchase Requisitions."
3. Sufficient information must be provided to Purchasing to perform competitive solicitations on behalf of the originating department/division.
4. Purchasing staff will work with department/division to determine the appropriate competitive solicitation method, e.g., Request for Bids (RFB), Request for Proposals (RFP), Request for Qualifications (RFQ). RFPs are most commonly used for professional and personal services, and are occasionally used for complex solicitations for supplies. RFQs are used

mostly for architectural and engineering services, or as part of a two-step selection process where qualified firms are selected for a future issuance of an RFP.

a. The procedures in this Section XII are primarily for the RFB process. If the RFP or RFQ process is used, follow the procedures in Sections XIV. and XV., respectively.

5. The appropriate solicitation will be coordinated by Purchasing staff and solicitations posted on the Purchasing Internet website. Bid publication notices will be e-mailed to potential respondents/vendors (if known) identified by both the originating departments/divisions and Purchasing.

D. Addenda – Informal Request for Bids

Do not contact potential respondents about changes to specifications. Work with your buyer to amend informal specifications. Adequate time should be provided for respondents to review and respond to revised specifications, particularly when there are significant or complicated changes. Keep in mind that a more complicated specification may require more response time by respondents.

E. Submittal – Informal Request for Bids

1. Purchasing must receive informal bid submittals by the deadline and at the location designated in the solicitation documents.
2. Unsealed Request for Bids may be submitted by respondents to Purchasing in person, or via fax, U.S. Mail, or parcel or delivery service. This will expand to include receipt by email once appropriate systems are in place. The City accepts no responsibility for late deliveries.
3. Once Purchasing staff has conducted the solicitation, it will contact the department/division client with the results and/or to conduct further evaluation. If no independent department/division evaluation is needed, the department/division will prepare a purchase requisition (if not created initially). Purchasing will issue the purchase order or SAP contract, as required.

F. Evaluation – Informal Request for Bids

1. The buyer in conjunction with the department/division will determine the lowest and best responsible bidder.
 - a. The buyer conducts bidder responsiveness review and for most informal specifications, prepares bid tabulation and notifies department/division of lowest bidder meeting responsiveness criteria.
 - b. For public works and improvements informal (unsealed) specifications, the buyer or department/division may prepare the bid tabulation. Coordinate preferences with your buyer.
 - c. If respondents have submitted bids on alternate or “equal” products, the originating department/division and senior buyer will evaluate and award accordingly on a case-by-case basis.

G. Award – Informal Request for Bids

1. After evaluating the pricing and information submitted, the purchase/contract shall be awarded to the lowest and best responsible bidder(s) by Purchasing in conjunction with the department/division.
2. For simple procurement activities, such as warehouse supply purchases, buyer may award and issue the purchase order as soon as lowest and best responsible bidder is determined. This practice will be agreed upon in advance of issuing the specification (or as the default activity for warehouse purchases). Let your buyer know in advance (by including notes in the PR header notes or on the bid notification form) if you have specific needs for the review and award of a particular bid.
3. For award of most informal specifications, the department/division either concurs with the buyer's recommendation or communicates with buyer if there are concerns or issues with submittal responsiveness (such as compliance with technical specifications) or respondent responsibility. Once concurrence between buyer and the department/division is reached, the buyer issues purchase order or SAP contract to successful bidder, as appropriate. (Note: A purchase order cannot be issued without a fully released purchase requisition.)

For public works and improvements, where a bidder is determined to be not responsible, the City must provide notice to the bidder, in writing, the reasons for determination per RCW 39.04.370.1 (d). Contact your buyer to initiate the process.

4. For public works and improvements informal (unsealed) specifications, Purchasing will prepare the award letter, together with the appropriate contract and performance bond forms, and send to the recommended awardee, as appropriate.
5. Whenever an award is not given to the lowest bidder in price, the reasons shall be stated in writing by the department/division or Purchasing, as appropriate, which will be filed with the specification in Purchasing as a matter of public record.
6. For award to other than the lowest bidder(s) in price for submittals between \$50,001 and \$200,000, Purchasing will notify such bidder(s) and the bidder(s) recommended for award. Such notice will explain why the low bidder(s) is/are not receiving award and allow up to two business days for the low bidder(s) to protest the award to the Procurement and Payables Division manager.
7. In the case of tie bids, if two or more low bids contain exactly the same information in response to required evaluation criteria (e.g., price, delivery time, warranty, etc.), where all factors are considered and deemed equal, the contract shall be approved for award to the lowest and best responsible bidder who has a business office within the City's boundaries. For tie bid awards of \$200,000 or less, the decision of the Procurement and Payables Division manager shall be final and conclusive. (Reference TMC 1.06.264)

H. Contract Documents – Informal Request for Bids.

1. Written contracts, insurance documents, performance bonds, indemnification and/or warranty/guarantee requirements shall be obtained as appropriate and submitted to Purchasing. City standard contract forms are strongly recommended as forms supplied by

respondents rarely meet City requirements and are often rejected. Consult your Purchasing buyer for guidance in determining appropriate contract documents for your needs.

2. After Purchasing receives from the successful bidder(s) any necessary insurance documents, performance bond, or other documents or forms as appropriate, Purchasing will issue purchase order(s) and/or contracts to the successful bidder(s).
 - a. For most supply type purchases, the purchase order or SAP contract serves as the “contract.”
 - b. For transactions involving labor/construction or services, a separate contract form may be required.
3. All legally binding purchasing agreements (contracts), regardless of dollar amount, with the exception of purchase orders and the SAP contract form, must be approved and signed by (in suggested order):
 - a. The successful bidder(s);
 - b. City Attorney, or designee, per Tacoma City Charter Section 7.13 and TMC 1.06.268 A.3. (see Note below);
 - c. Director of Finance, or designee, per TMC 1.06.268.A.2; and
 - d. City Manager or Director of Utilities, or their respective designee, per TMC 1.06.268 A.1.

General Government contracts may also require the signature of the Risk Manager (if over \$25,000) and of the City Clerk (if contract is signed by City Manager or Deputy City Manager).

Note: Providing the Legal Department with information confirming that the appropriate competitive solicitation process was followed or appropriately waived for the particular agreement facilitates legal review and approval.

- e. Purchasing will create and release a SAP a contract or issue a PO as appropriate once fully executed contract documents have been received by Purchasing.

I. Protests – Informal Request for Bids

1. Protests of department/division recommendations to award a contract and/or decisions to reject bids (other than a decision to reject all bids), or any other matter pertaining to award of contracts \$200,000 or less, including surplus sales, may be protested to the Procurement and Payables Division manager, whose decision shall be final. Such protests may not be submitted to the C&A Board or any other City official or officer (See Section XVII.)

XIII. SEALED SOLICITATIONS OVERVIEW – Over \$200,000

A. Purpose and Overview – Sealed Solicitations

Pursuant to TMC 1.06.253, the following shall apply to all City purchases with an aggregate contract total over \$200,000 (excluding contracts for real estate matters, or where otherwise exempt from competitive solicitation requirements per the TMC). The originating department/division and Purchasing will work cooperatively to prepare the specification documents (Request for Bids, Request for Proposals, or Request for Qualifications). Sufficient information must be provided to Purchasing to perform competitive solicitations on behalf of the originating department/division.

Solicitations will be coordinated by Purchasing staff and posted on the Purchasing Internet website. Solicitation announcements will be e-mailed to vendors identified by both the originating departments/divisions and Purchasing (if known). Sealed submittals will be opened in public by Purchasing staff on Tuesdays at 11:00 a.m. as specified in the solicitation.

The formal sealed submittal solicitation process is used for purchases of supplies and services with an aggregate contract total over \$200,000 (excluding sales tax), as well as for public works and improvements solicitations with an aggregate contract total over \$50,000, and other contracts on a case-by-case basis. Submittals are received in a sealed package to prevent its contents being revealed or known before all submittals are opened in a public meeting.

- The solicitation method may be by Request for Bids, Request for Proposals or Request for Qualifications, as appropriate.
- Formal sealed solicitations are posted on the Purchasing Internet website and advertised in the City's official publication.
- Public bid openings are conducted at 11:00 a.m. on Tuesdays by Purchasing staff. The City shall not be held liable for any delays in bid opening due to reasonable conditions beyond its control.
- Award protests, if any, are heard by the Board of Contracts and Awards (C&A Board). See Section XVII. for applicable protest procedures.
- Awards of formal competitive solicitations with an aggregate contract total over \$200,000 (excluding sales tax) require City Council or Public Utility Board approval unless otherwise provided in the TMC or this Purchasing Policy Manual.

XIV. SEALED SOLICITATIONS – REQUEST FOR BIDS (RFB)

A. Purpose and Overview – Request for Bids (Sealed)

A Request for Bids is used to competitively solicit for supplies, purchased services and public works and improvements projects. In some cases, a Request for Proposals may be issued for more complex specifications. A RFB is less commonly used to solicit professional or personal services. Your senior buyer and/or buyer will work with you to determine which type of solicitation is appropriate. (Reference TMC 1.06.254)

B. Specification Preparation – Request for Bids (Sealed)

The following are general guidelines for preparing specifications for competitive solicitations by sealed Request for Bids.

1. Specifications provide a precise description of the critical features a supply, service, or public works and improvements (PWI) submittal must have to satisfy department/division needs. A specification should be written from the general to the specific. The following outline may be used as a guideline:
 - a. Identify Supply, Service, or PWI. Begin a specification by listing the name of the supply, service, or PWI sought. For example, "compact sedan," or "photocopier maintenance." Avoid listing a specific brand name in the title (except where the department/division has standardized to a specific item. See subsection b. immediately below.
 - b. Purpose/Use for Supply, Service or PWI. State the purpose for which the good, service, or PWI project will be used. For example, a lawn mower specification might be "suitable for daily use (4-6 hours) on a large grounds complex." Respondents should be told the City's intended purpose or use to allow them to decide what type of product, service, or PWI items to bid.
 - c. Description of Supply, Service, or PWI. List all the critical features the product must have or the service or PWI must satisfy to meet department/division requirements. Use a specification that indicates performance requirements if the department/division is interested in the end product or result. For example, use a design specification that details how a product is engineered if the department/division is interested in how the product will achieve that end result, or if the department/division has a specific physical requirement for the product. Provide detailed plan sheets, drawings, etc., as necessary to outline product or performance to be provided.
 - 1) Departments/Divisions should recognize that it is difficult to draft design specifications without being restrictive and limiting competition. A combination of performance and design requirements is often the most ideal specification.
 - 2) Identify the minimum requirements, making sure the stated minimum will satisfy the department/division needs. For example, if there are brand-name-or-equal products that are of the appropriate quality level, list several of the brand names and model numbers, indicating the level or quality desired.
 - Standardized supplies. In special circumstances, departments/divisions may wish to standardize equipment to meet specific needs, such as compatibility with existing equipment, accessories, and replacement parts. Careful consideration must be given when limiting specifications to a brand name/model as market

conditions are constantly changing and newer, more efficient, or less costly, equipment may be available. Wherever possible, the specification should invite bidders to propose “equal or better” equipment. Departments/Divisions should conduct product research to locate additional brands that may meet their needs.

- d. List Special Requirements. Provide any special requirements that the product, service provider, or contractor must perform. Warranty, service support, parts, and training requirements must be included.
- e. Unusual Conditions. Describe any unusual conditions, such as installation, field test requirements, funding source availability, etc.
- f. Receiving Procedures. Describe as necessary any special or unique receiving procedures. For example, if testing, sampling, or other evaluation will be performed upon delivery to determine acceptability.
- g. Contract Term. If supplies or services will be delivered over a period of time, identify the initial contract term, any options for contract renewals, and allowable terms for price adjustments, if any. For PWI, the contract term also needs to be stated and, if anticipated, requirements for term extensions.
- h. Bonds and Retainage. Where specified by law, bid bond, performance bond and retainage requirements will be incorporated into the specification. When not required by law, these may be used at the discretion of the department/division.
 - 1) Bid/Performance bond and retainage requirements and options for PWI contracts vary depending on the amount of the contract and whether the contract is to be performed in phases. (See Section VI. D. 6.)
 - a) See RCW 39.08.010 regarding contractor bond options for contracts of \$100,000 or less.
 - b) See RCW 60.28.011 regarding contractor retainage options. (See Section VI. D. 7.)
 - c) See RCW 39.08.010 regarding retainage options for contracts of \$35,000 or less.

Consult with Purchasing or the Legal Department for further details.

 - 2) Bid/Performance Bonds may be recommended for non-PWI goods and services:
 - a) Purchases of specially designed or manufactured goods and/or where the City will incur damages if delivery is delayed or item does not meet specifications. (See Section VI D. 6. d.)
- i. Additional content requirements and guidance applicable to PWI specifications may be found in Section VI. D. and Section IX., including the following:
 - 1) Prevailing wages. (See Sections VI. D. 8. and VI. D. 9.) Specification documents must include prevailing wage rates in effect at time of solicitation.
 - 2) Bidder licensing status. (See Section IX. B. 4.)
 - 3) Bidder responsibility. (See Section IX. B. 5.)

- 4) HUB and equal opportunity documentation will be required from bidders when deemed reasonably necessary by HUB staff to administer and enforce the provisions of Chapter 1.07, TMC. See Section VI. D. 13., Section IX. C. and HUB website for more information.
 - 5) LEAP (Local Employment and Apprenticeship Program. (See Section VI. D. 14.)
 - 6) Warranties. (See Section VI. D. 10. and Section IX. D.)
 - 7) Insurance. (See Section VI. D. 11. and Section IX. D.)
 - 8) Indemnification. (See Section VI. D. 12. and Section IX. D.)
 - 9) Sales Tax. (See Section VI. D. 2. and Section IX. B.)
- j. Compliance with the City's Code of Ethics. (Reference Chapter 1.46, TMC) Staff is expected to conduct business with all respondents and potential respondents in a fair and equitable manner to ensure equal access to bid and to avoid unreasonable preference or the appearance of impropriety.

***For solicitations with oversized drawings**, skip to subsection J. below for special instructions.

C. Solicitation Procedure – Request for Bids (Sealed)

1. **Department/Division (or Purchasing)** assigns new [bid number](#) (aka specification number) for the solicitation using the bid numbering application on the Purchasing intranet site.
2. **Department/Division** sends the following via e-mail or other electronic means (CD or flash drive) to the senior buyer for review a minimum of five days prior to bid advertisement:
 - a. Notification memo (aka bid notification memo). Include the proposed timeframe for advertising (minimum of five days out). Purchasing staff will work with departments/divisions to meet their desired timelines wherever possible, but be aware that your buyer/senior buyer supports several departments/divisions and may have a backlog of projects they're working. The notification memo should be provided to Purchasing in advance of the specification draft. Start early.
 - b. Electronic draft solicitation document. Technical and special requirements of the specification; the details of what is needed.
 - c. Suggested vendor list, including e-mail addresses. If potential vendors are unknown, notify Purchasing so that vendor sourcing can be done.
3. **Senior buyer** reviews electronic draft solicitation document and returns it to the originating department/division with recommended changes, edits, comments, questions, etc.
4. **Department/Division** reviews modifications, makes additional edits and returns the electronic draft to the buyer/senior buyer, along with the following:
 - a. Any applicable attachments, e.g., electronic plans and drawings, HUB/LEAP goals as determined by HUB or LEAP staff, Excel spreadsheets, etc. Send by e-mail, or other electronic means (CD or flash drive).
 - b. Marked-up printed draft (routed copy), if any, for reference and bid file.

5. Once a final draft is achieved, **Purchasing** inserts any necessary documents and standard requirements such as the signed Request for Bids page, terms and conditions, prevailing wage forms, HUB, LEAP, PIF, insurance or sample contract, then converts to PDF format and combines into one complete document for posting. *Drawings are posted separately.

If requested, Purchasing will send a copy of the final solicitation in PDF format to the department/division prior to posting to the web. Once the bid is posted on the web, the department/division contact person is copied on the e-mail notification sent to prospective bidders, inviting them to view/download the specification.

***For solicitations with oversized drawings**, skip to subsection J. below for special instructions.

6. **Purchasing** advertises the solicitation in the City's official newspaper, currently the Tacoma Daily Index, and posts the specification to the Purchasing website.
 - a. Advertisements for sealed solicitations must be made a minimum of five business days prior to submittal deadline. (Reference TMC 1.06.259)
7. **Purchasing** emails the solicitation announcement to vendors on the plan holders list.

D. Addenda – Request for Bids (Sealed)

1. Send electronic versions of all addenda to your senior buyer. Review of plans and drawings is not required.
 - a. For solicitations with oversized plans skip to subsection K. below for special instructions.
2. Solicitation documents in final form, including changes by addenda, must be available a minimum of five business days. (Reference TMC 1.06.259)
3. Standard timelines for addenda:
 - a. Due to Purchasing by noon, Tuesday prior to submittal deadline, to **maintain** the original submittal deadline.
 - b. Due to Purchasing by noon, Friday prior to submittal deadline, to **extend** the submittal deadline.
 - c. Addenda are typically not issued the Monday before the submittal deadline. Purchasing will work with the department/division to ensure any submittals received are not opened. The solicitation may be declared as cancelled by the Procurement and Payables Division manager and the buyer will coordinate with the department/division to re-issue a new specification, if needed. Alternatively, where it's determined to be in the best interest of the City, the Procurement and Payables Division manager may authorize the submittal deadline be extended a minimum of five business days. The buyer will coordinate the issue of addenda. (See subsection 2. immediately above)
4. **Purchasing** will send an e-mail notification of addenda to those registered on the plan holders (aka bid holders) list.

E. Public Bid Opening – Request for Bids (Sealed)

1. Receipt and Public Opening of Submittals

- a. Purchasing must receive submittals by the deadline and at the location designated in the solicitation documents.
- b. Purchasing conducts the public bid openings on Tuesdays at 11:00 a.m., unless otherwise expressly designated in the solicitation documents.
- c. Initial results as read at bid opening (for RFPs, only respondents name and location are read) are posted to the City's Internet site after 1:00 p.m. the same day.
- d. Purchasing makes a control copy of the submittals, if needed, and notifies originating department/division when the originals are available for pickup.
- e. Submittals received after the time indicated will not be accepted unless an extension has been granted by the Procurement and Payables Division manager to all respondents due to extraordinary circumstances.

F. Evaluation – Request for Bids (Sealed)

1. As agreed upon during solicitation, the originating department/division or Purchasing prepares a bid tabulation to determine the apparent low bidder.
2. The originating department/division then conducts a review of the original bid documents and all information received relative to references, licenses, etc., to determine the responsiveness of bids submitted and bidder responsibility.
 - a. A bid is responsive if it meets all material requirements of the specification.
 - b. A responsible bidder is one who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability that will assure good faith performance. Consideration must be given to compliance with the criteria stated in TMC 1.06.262 and 1.06.263 (when included in the specification) and any applicable City program requirements such as HUB. For PWI bids, further consideration must be given to state responsibility criteria set forth in RCW 39.04.350, any supplemental criteria adopted in the specifications in compliance with RCW 39.04.350, and other applicable City program requirements such as LEAP.
 - c. For public works and improvements, where a bidder is determined to be not responsible, the City must provide notice to the bidder, in writing, the reasons for determination per RCW 39.04.370.1 (d). Contact your buyer to initiate the process.
3. The originating department/division then confers with its senior buyer, who has conducted his/her own concurrent review of bid responsiveness and bidder responsibility, and makes its recommendation for award.
4. Upon concurrence by Purchasing, the bid(s) recommended by the department/division for award will be deemed the lowest and best responsible bidder(s) -- subject to HUB and LEAP

compliance review when applicable -- and presented to the C&A Board. Note: Awards of \$200,000 or less are not presented to the C&A Board.

5. For specifications which included HUB requirements, the originating department/division furnishes the bid tabulation and a recommendation memo to HUB staff. They will review and analyze these documents, along with the bid submittal copies retained in Purchasing, and issue a HUB recommendation memorandum to the department/division within two working days whenever possible.
6. The originating department/division reviews the HUB recommendation, if any, and drafts the C&A Board letter.
 - a. When award is not recommended to the lowest bidder(s) in price, the reason(s) shall be stated in the C&A Board Letter. See Section XII. G. (Award – Informal Request for Bids) if the amount is \$200,000 or less.
7. The originating department/division submits its draft C&A letter to the senior buyer for review.
8. The senior buyer reviews draft C&A letter, makes any necessary corrections, and emails to department/division to finalize.
9. The originating department/division is responsible for making sure the finalized and signed C&A letter, along with the following documents (the “Bid Submittal Package”) is sent to Purchasing:
 - a. Department/Division C&A Board letter,
 - b. HUB and or LEAP recommendation if applicable,
 - c. Original bid submittal documents, and
 - d. Bid tabulation.
10. The Procurement and Payables Division manager, in consultation with the appropriate department/division representative, may reject any and all bids for any transaction for any reason. When the department/division requests rejection of all bids, it must submit a written description to the Procurement and Payables Division manager describing the circumstances that warrant rejection of bids. Purchasing staff sends all bid rejection notices to vendors.

G. Award – Request for Bids (Sealed)

1. Upon receipt of the Bid Submittal Package, Purchasing will place the contract award on the next Board of Contracts and Awards agenda, and the next appropriate City Council or Public Utility Board meeting agenda (i.e., Exhibit A).
 - a. If the apparent low bidder is not recommended for contract award, Purchasing will notify the apparent low bidder and provide an opportunity to protest per subsection I. below and in compliance with the protest procedures in Section XVII. Such notice will explain why the low bidder(s) is not being recommended for award.

2. The Board of Contracts and Awards may, by consent agenda or at its scheduled meeting, either concur with the award recommendation made by the department/division or refer the matter back to the department/division for further evaluation.
3. If the Board of Contracts and Awards concurs with the department/division award recommendation, that recommendation will be presented to the City Council or the Public Utility Board for contract award approval.
 - a. Extenuating circumstances such as protests based on recommendations to award to other than the apparent low bidder, etc., could postpone the placement of items on the Council or Utility Board agenda (i.e., Exhibit A).
4. **Tie Bids.** If two or more low bids contain exactly the same information in response to required evaluation criteria (e.g., price, delivery time, warranty, etc.), where all factors are considered and deemed equal, the contract shall be approved for award to the lowest and best responsible bidder who has a business office within the City's boundaries. In all other cases of tie bids, the award shall be made in the manner determined by the City Council or the Public Utility Board, as appropriate, after an initial hearing before the Board of Contracts and Awards. (Reference TMC 1.06.264)
5. **Post Award Procedures.** After the City Council or Public Utility Board has approved award of the contract, the following steps are taken depending on the type of contract involved:
 - a. For public works and improvements/construction contracts, and other cases where the one-page contract form is used.
 - 1) Purchasing will prepare the award letter, together with the contract, insurance, and other appropriate documents, and send to the contract awardee(s) within approximately two days following award.
 - 2) Purchasing will provide the originating department/division with a copy of the contract cover letter.
 - 3) The contract awardee signs and returns the contract documents to Purchasing within 10 business days of the date of the contract award cover letter.
 - 4) Upon receipt of completed contract documents, including bonding and insurance as applicable, Purchasing will route such documents for required signatures. These are tracked using the City's online [contract tracking webpage](#). Use this link to [view where a contract is in the routing process](#).
 - a) At a minimum, all signed purchase contracts, regardless of dollar amount, must be approved and signed by (in suggested order):
 - i. the successful bidder(s);
 - ii. City Attorney, or designee, per Tacoma City Charter Section 7.13 and TMC 1.06.268 A.3. (See Note below.);
 - iii. Director of Finance, or designee, per TMC 1.06.268.A.2; and
 - iv. City Manager or Director of Utilities, or their respective designee, per TMC 1.06.268 A.1.

General Government contracts may also require the signature of the Risk Manager (if over \$25,000) and of the City Clerk (if contract is signed by City Manager or Deputy City Manager).

NOTE: Providing the Legal Department with information confirming that the appropriate competitive solicitation process was followed or appropriately waived for the particular agreement facilitates legal review and approval.

- b. Internal Distribution. The signed contract, along with other signed contractual documents such as performance bond, is inserted into the full specification before sending to the vendor. A copy is also sent to the department/division, and a copy is maintained by Purchasing.
 - For solicitations distributed by Purchasing, unless otherwise requested by the department/division, Purchasing prints three hard copies of the specification for contract distribution after award. One goes to the vendor, one to the department/division and one is kept by Purchasing.
 - For solicitations distributed by the City's designated plan distributor, the department/division arranges to have three copies of the complete specification, excluding oversized drawings, delivered to Purchasing. One goes to the vendor, one to the department/division and one is kept by Purchasing.
- c. For purchased, personal, or professional services, the department/division obtains the appropriate contract form from the Purchasing intranet site and submits a draft or proposed final to the Legal Department for review before sending to the contract awardee. See Contract Forms and Templates on the Purchasing intranet site for the referenced contract templates and additional instructions.
- d. Purchasing will create and release a SAP a contract or issue a PO as appropriate once fully executed contract documents have been received by Purchasing.

H. Contract Documents – Request for Bids (Sealed)

Contact your senior buyer about whether a signed contract will be needed.

I. Protests – Request for Bids (Sealed)

For award to other than the apparent low bidder(s), Purchasing will notify such low bidder(s) and the bidder recommended for award. The notice will explain why the low bidder(s) is not being recommended for award and allow up to two business days for the low bidder(s) to protest the award to the Procurement and Payables Division manager. See Section XVII. for detailed protest procedures and requirements.

J. Specifications with Oversized Plans – Request for Bids (Sealed)

The preparation of solicitations that are distributed by the City's designated plan distributor (currently Reprographics Northwest) is essentially the same as for those that are posted only to the City's Purchasing website. A pocket guide for Electronic Posting of Solicitations may be found on the Purchasing website under Policies and Procedures.

Continuing from step XIV. C. 5. above:

- 6. **Senior buyer** notifies Graphic Services via e-mail at Graphics - Bid Coordination (or by

phone, 253-502-8249), that the bid specification has been approved. Estimated page count to be included, if known.

7. **Department/Division** submits the following to Graphic Services a minimum of four working days prior to anticipated advertisement date, no later than 3:00 p.m. (if project is federally funded, this day is Wednesday):

- a. Completed Graphic Services work order form (available from the Graphic Services website).
- b. Complete bid specification and plan sets.
- c. Suggested vendor list including e-mail addresses (“bid distribution work order form”).

Note: Public Works divisions should use the sample PW distribution list form located on the Graphics Services web site. It is suggested that TPU divisions use the PW sample and modify as required. **Departments/Divisions should only order the number of hard copies needed for internal use. Plan centers, utilities and contractors should be sent e-notification only. They can view, print or download the specifications and plans as needed.**

8. **Purchasing** completes the following upon receipt of three unbound specifications from Graphic Services:
 - a. Advertises in the City’s official newspaper, if applicable, and in additional publications if requested by the department/division.
 - b. Posts the solicitation announcement to the City’s Internet site www.TacomaPurchasing.org, which links to the Designated Plan Distributor website.
 - c. Posts solicitation announcements to the state WEBS site, if applicable.
9. **Senior buyer** notifies project lead via e-mail and/or phone of the advertising and posting dates.

10. Project Close out and Original Specification Documents

Designated Plan Distributor:

- a. Returns all original documents including specifications, plans, addendums, etc., including discs, to Graphic Services following posting of specification. **Graphic Services** will notify originating department/division when ready for pick up.
 - 1) Public Works Department only – **Graphic Services** will return all original bid documents to the engineer/project lead and CD of large document bid sets to govME IC.
 - 2) govME IC adds bid set to website to enable immediate sharing of the most accurate info available and to maintain secure records storage, and sends original plans back to engineer/project lead.
- b. Provides Graphic Services with final disk and plan holders list with all revisions.

Additional copies must be ordered through Graphic Services.

If there are no addenda, refer to subsections E. through I. above to complete the Sealed Solicitation – Request for Bids process (E. Public Bid Opening, F. Evaluation, G. Award, H. Contract Documents, I. Protests).

K. Specifications with Oversized Plans – Request for Bids (Sealed) – Addenda

1. **Department/Division** emails the electronic version of all addenda to senior buyer. Hard copies accepted in pre-approved special situations only. Review of plans and drawings is not required.
2. **Senior buyer** signs addendum and returns to department/division in PDF form.
3. **Department/Division** forwards/hand carries the signed addendum and any applicable attachments, plans and drawings to Graphic Services.
 - a. Addenda **MUST** be reviewed and signed by Purchasing staff before being provided to Graphic Services.
 - b. Signature of Purchasing staff serves as approval.
4. **Graphic Services** coordinates posting of addenda with the designated plan distributor.
5. **Designated Plan Distributor** e-mails addenda to Purchasing, the department/division and those on the plan holder list.
 - a. Public Works Department Only. govME IC reviews addenda email sent from Designated Plan Distributor for new/revised plans or drawings and updates. If found, PW website updated to enable immediate sharing of most accurate information and to maintain secure records storage.
6. Standard timelines for addenda remain the same. See D. 3. above.

Refer to subsections E. through I. above to complete the Sealed Solicitation – Request for Bids process (E. Public Bid Opening, F. Evaluation, G. Award, H. Contract Documents, I. Protests).

XV. SEALED SOLICITATIONS – REQUEST FOR PROPOSALS

A. Purpose and Overview – Request for Proposals (Sealed)

A Request for Proposals (RFP) is a solicitation method used to purchase professional services, personal services, complex solicitations for supplies, and in very limited circumstances as allowed by law or this Purchasing Policy Manual, public works and improvements. A RFP is a formal invitation to a potential respondent to submit a proposal to provide a solution to a problem or a need that the City has identified and in conformity with specifications and other written terms and conditions contained in the RFP. A RFP is also a procurement process where the City has the ability to judge if a respondent's experience, qualifications and/or approach will provide the best solution to the City's needs. RFPs are conducted as sealed solicitations.

1. When is an RFP used?

- When the City has defined a need and requests the respondents to propose the best method for accomplishing it;
- When the City will consider factors other than lowest price, such as qualification and/or performance criteria, to determine whether to make an award;
- When the skills, expertise, or technical capability of the respondents will be evaluated;
- When the problem or need is fairly detailed or complex;
- When the problem or need involves services or a combination of supplies and services;
- When specialized supplies are needed and/or such supplies are subject to proprietary rights and limitations;
- When alternative public works and improvements project delivery systems are allowed under Chapter 39.10, RCW (e.g., design-build, etc.);
- When the City may need the opportunity to ask respondents to clarify their proposals by issuing questions, or to revise their proposal through a best and final offer process; or
- Where project specifications cannot be clearly defined.

If your service or supply needs fits any of these situations, then the RFP process is most likely the procurement tool for you to utilize. Most RFPs are a direct result of the City's desire to secure a service or supply without being limited to simply a low bid option.

2. The RFP process requires multiple steps. Each step builds toward the eventual award of a contract. Some of the steps are optional, depending on the nature of the project or the City's needs. Departments/Divisions should contact Purchasing early in the process and rely on the senior buyer/buyer to guide and assist in making decisions on optional portions of the RFP process.

3. How to Initiate the RFP Process. Confer with your senior buyer to:

- a. Define the project goals.
- b. Develop a plan for reaching the goals.
- c. Evaluate if an RFP is the best procurement tool to use.
- d. Obtain necessary management approvals.

- e. Organize the staff required to carry out the RFP process, including, but not limited to, the Selection Advisory Committee (SAC). (See subsection B.2. below for further details regarding SAC)
 - f. Submit a notification memo or purchase requisition to your senior buyer.
4. The RFP process may not apply in its entirety to certain City boards and commissions or similar entities.

B. Specification Preparation – Request for Proposals (Sealed)

1. Establish the Core Requirements and Contents of the RFP. The originating department/division writes substantive content of the RFP, including description(s) of desired services and/or supplies and all qualification or performance criteria that will be scored.
 - a. Purchasing maintains a standard outline for RFPs that includes mandatory terms and conditions as well as required forms. Contact your senior buyer for up-to-date forms.
 - b. Incorporate all special legal or industry requirements (special licenses, certifications, etc.).
 - c. Determine minimum standards that will be acceptable (pass/fail, must/may).
 - d. Review Standard Terms and Conditions and other required RFP content forms.
 - e. Consider use of a sample contract, e.g., a professional services contract. Such samples are not mandatory, but help establish basic terms and conditions and may expedite contract negotiation.
 - f. Determine any special and/or technical terms and conditions to be included.
 - g. Establish budgetary constraints.
 - h. Use care regarding mandatory provisions (e.g., “shall,” “must,” “will”) versus permissive provisions (“may,” “can,” “could”).
2. Establish Selection Advisory Committee (SAC). The director or superintendent of the originating department/division, or their designee (i.e., the department/division contact person), shall establish the SAC in consultation with a senior buyer. The SAC should consist of a minimum of three members. For contracts requiring multiple technical disciplines, the SAC should include additional members with experience and expertise consistent with the value or complexity of services/supplies to be solicited. The SAC should include at least one member from Purchasing to provide process assistance and oversight, but that member will not typically evaluate qualifications or otherwise score responses. The SAC process includes the following:
 - a. Selecting a group of subject matter experts;
 - b. Explaining time commitment;

- c. Explaining potential conflict of interest issues.
 - d. Have each SAC member obtain necessary supervisory approval for participation and time commitment.
 - e. Select SAC chairperson.
 - f. In the event a member of the SAC has a conflict of interest, he or she must immediately withdraw from the process.
 - g. If an SAC member has a scheduling conflict such that he or she cannot fully participate in the evaluation process per subsection F., the director or superintendent, or their designee, must promptly appoint a replacement unless the SAC chair determines there are a sufficient number of members available to continue the evaluation process.
3. Establish the Evaluation Criteria. Evaluation criteria are the factors a department/division uses to determine which of several competing proposals submitted in response to an RFP best meets the City's needs. In establishing effective evaluation criteria, a department/division must clearly identify the factors relevant to its selection of a contractor and then prioritize or weigh these factors according to their importance in satisfying the procurement needs of the department/division. Together, the proper identification and weighting of the evaluation criteria will form an evaluation plan that will provide the SAC with a common standard by which to judge the merit of competing proposals. This allows the department/division to rank the proposals received while simultaneously providing respondents with a fair basis for comparison. When evaluation criteria are properly selected and weighed, the proposals received will accurately reflect the respondent's understanding of the solicitation and the respondent's ability to deliver what the City needs. Establishment of evaluation criteria includes:
- a. Identifying the major criteria that are critical for the success of the RFP.
 - 1) Commonly used criteria are:
 - Qualifications
 - Relevant experience
 - Quality of work
 - References
 - Service
 - Physical facilities
 - Human resources
 - Cost
 - Technical Capabilities
 - Proposed Timelines
 - 2) Consider additional factors set forth in TMC 1.06.262 and 1.06.263
 - b. Prioritize evaluation criteria and determine what information is to be provided by respondents to satisfy each criterion.
 - 1) The evaluation criteria should be in terms that can be measured and evaluated. Avoid words that are overly subjective or general.

4. Establish Scoring and Weighted Value Provisions. Proposals submitted in response to RFPs are evaluated on the criteria stated in the RFP. Thus, the originating department/division should include everything it wants to measure for purposes of contract award.
 - a. Specify how much each criterion is worth.
 - 1) Each scoring provision may be stated in the form of specific points or a percentage.
 - 2) The importance of each criterion and the weight given to each criterion will largely depend on what the department/division desires from the resulting contract.
 - 3) Evaluation of qualifications and ability to perform should be primary consideration and should be scored accordingly. Cost does not have to be a factor, but it is rare that it will not be considered after other qualification and performance criteria are evaluated. Budget constraints may help determine the weight of the cost portion.
 - 4) Time constraints may result an increase weight for the ability and the guarantee of the contractor to complete projects by specified dates.
 - b. Explain in the RFP how points will be awarded.
 - c. There may be rare cases where evaluation criteria are not well suited for traditional scoring methods. Check with your senior buyer for alternative approaches.

C. Solicitation Procedure – Request for Proposals (Sealed)

1. Department/Division (or Purchasing) assigns new [specification number](#) (aka bid number) for the solicitation using the bid numbering application on the Purchasing intranet site.
2. Department/Division sends the following via e-mail or other electronic means (CD or flash drive) to the senior buyer for review a minimum of five days prior to advertisement:
 - a. Notification memo (aka bid notification memo). Include the proposed timeframe for advertising (minimum of five days). Purchasing staff will work with departments/divisions to meet their desired timelines wherever possible, but be aware that your buyer/senior buyer supports several departments/divisions and may have a backlog of projects they're working. The notification memo should be provided to Purchasing in advance of the specification draft. Start early.
 - b. Electronic draft solicitation document. Include technical and special requirements of the specification, i.e., the details of what is needed.
 - c. Suggested vendor list including e-mail addresses. If potential vendors are unknown, notify Purchasing so that vendor sourcing can be done.
3. Senior buyer reviews electronic draft solicitation document and returns it to the department/division with recommended changes, edits, comments, questions, etc.
4. Department/Division reviews modifications, makes additional edits and returns the electronic draft to the senior buyer, along with the following:
 - a. Any applicable attachments, e.g., electronic plans and drawings, HUB and LEAP goals as determined by HUB or LEAP staff, etc. Send by e-mail, or other electronic means

(CD or flash drive).

- o Note: LEAP applies only to public works and improvements, and RFPs are typically not used for PWI.

b. Marked-up printed draft (routed copy), if any, for reference and bid file.

5. Final Preparation of the RFP for Advertising. Once a final draft of the RFP specification is achieved, **Purchasing**:

a. Inserts any additional required or necessary information, documents, and standard requirements such as:

- 1) The signed Request for Bids/Proposals/Qualifications page;
- 2) City's Standard Terms and Conditions;
- 3) A sample contract, when requested and provided by the department/division, which may be tailored for the proposed project or services by submitting the professional services contract trigger sheet to the Legal Department;
- 4) HUB and Personnel Inventory form;
- 5) When applicable, (e.g., public works and improvements) prevailing wage forms, LEAP forms, etc.

b. Converts to PDF format and combines into one complete document for posting. Drawings are posted separately.

c. Prepares the RFP for advertising. For this step, the **senior buyer** will:

- 1) Review the RFP for compliance with laws, rules, and policies;
- 2) Conduct additional sourcing and add potential respondents, if found, to the e-mail notification list; and
- 3) Establish the final project schedule with the department/division contact person.

d. If requested by the originating department/division, Purchasing will send a copy of the final solicitation in PDF format to the department/division prior to advertising and posting to the web. Once the solicitation is posted on the web, the originating department/division contact is copied on the e-mail notification sent to prospective respondents, inviting them to view/download the specification.

6. **Purchasing** advertises the RFP solicitation in the City's official newspaper (must be advertised a minimum of five business days prior to submittal deadline per TMC 1.06.259), currently the Tacoma Daily Index, and:

a. Emails the solicitation announcement to the list of potential respondents.

b. Posts the solicitation to the City's website.

7. Final Preparation of Evaluation Process

a. Prior to the deadline set for receipt of proposals, the SAC should make the final preparation for the evaluation process. Items to be completed include: A detailed score sheet based on the evaluation criteria included in the specification, schedule of evaluation process, and decision on scoring method.

- b. The completed evaluation process must be submitted to the senior buyer for review. If unsure of best evaluation method to use, consult your senior buyer for recommendations.

8. Pre-Submittal Clarifications and Optional Conference.

- a. Typically, potential respondents are provided an opportunity to submit written questions concerning the RFP. This is optional, but has been a useful method for fielding and responding to questions. A specific deadline for submission of questions must be set in the RFP.
- b. Questions are submitted to the senior buyer and forwarded to the department/division contact person, as necessary.
- c. The department/division contact person prepares written answers and submits them to the senior buyer for review.
- d. Purchasing posts the answers and related information, if any, to the City's website. This typically is not done as a formal addendum unless responses make a material change to the specifications, in which case, an addendum will be issued. (See subsection D. immediately below)
- e. If desired, the department/division contact person may conduct a pre-submittal face-to-face or conference call for potential respondents. The time and location of the conference must be stated in the specification. Allow adequate time between the pre-submittal conference and the submittal deadline for the issuance of addenda, if needed. Addenda must be posted a minimum of five business days prior to RFP opening date.
- f. The SAC chairperson and the buyer/senior buyer typically conducts the pre-submittal conference.
- g. Departments/Divisions may choose to record the conference, but it is not required.
- h. A sign-in sheet should be collected at the conference.
- i. Attendees must be aware that any oral responses to questions at a pre-submittal conference are not binding until reduced to writing.
- j. Setting deadlines for clarification questions. When setting the deadline for questions, be sure you allow enough time for:
 - 1) respondents to have received and read the RFP;
 - 2) the department/division contact person to provide thoughtful answers to the questions;
 - 3) posting the written questions and answers, or issuance of an addendum, as required; and
 - 4) enough time before the submittal deadline (a minimum of five business days when addenda is issued) for respondents to incorporate the information from the addendum into their proposals.

D. Addenda – Request for Proposals (Sealed)

1. The originating department/division must send electronic versions of all addenda to its senior buyer.
2. Changes to previously advertised solicitation documents in final form, including changes by addenda, must be available a minimum of five business days. (Reference TMC 1.06.259) Purchasing will send an e-mail notification of addenda to those registered on the planholders (aka bid holders) list.
3. Standard timelines for addenda:
 - a. Due to Purchasing by noon, Tuesday prior to submittal deadline, to ***maintain*** the original submittal deadline.
 - b. Due to Purchasing by noon, Friday prior to submittal deadline, to ***extend*** the submittal deadline.
 - c. Addenda are typically not issued the Monday before the submittal deadline. Purchasing will work with the department/division to ensure any bids received are not opened. The solicitation may be declared as cancelled by the Procurement and Payables Division manager and the buyer will coordinate with the department/division to re-issue a new specification, if needed. Alternatively, where it's determined to be in the best interest of the City the Procurement and Payables manager may authorize the submittal deadline be extended a minimum of five business days (See subsection D. 2. above) and the buyer will coordinate the issue of addenda.

E. Public Bid Opening – Request for Proposals (Sealed)

1. Receipt and Public Opening of Submittals
 - a. Purchasing must receive submittals by the deadline and at the location designated in the solicitation documents.
 - b. Purchasing conducts the public bid openings on Tuesdays at 11:00 a.m., unless otherwise expressly designated in the solicitation documents.
 - c. Initial results as read at bid opening (for RFPs, only respondents name and location are read) are posted to the City's Internet site after 1:00 p.m. the same day.
 - d. Purchasing makes a control copy of the submittals, if needed, and notifies originating department/division when the originals are available for pickup.
2. Public Record Requests. All proposals received by the City are public records subject to disclosure under the State's Public Records Act (Chapter 42.56, RCW). However, disclosure may be properly delayed if it would unreasonably interfere with the City's evaluation of proposals and/or contract negotiation with the selected finalist. Typically, once the evaluation process is completed and a finalist is selected, disclosure of all materials received by the City will be required. Please consult with Legal Department on case by case basis.

See Section III. A., B., and C. for additional information regarding public disclosure and confidentiality.

F. Evaluation – Request for Proposals (Sealed)

1. Role of Selection Advisory Committee (SAC) and Purchasing
 - a. Proposals must be distributed to each SAC member. Each member will conduct individual evaluation and scoring of proposals received according to the detailed score sheet, scoring method, and schedule established with Purchasing prior to the deadline set for receipt of submittals. As noted below, proposals may be deemed non-responsive. In that event, further evaluation of non-responsive proposal(s) by individual SAC members may be terminated.
 - b. Prior to the initial scoring of the proposals, the SAC should meet to discuss the proposal review and scoring process. Each committee member should have a clear understanding of the scoring process and how points will be assigned.
 - c. Committee members must be given sufficient time to read and evaluate each proposal prior to meeting as a group to score the proposals.
 - d. Any questions regarding the scoring process should be addressed to the buyer/senior buyer or committee chairperson.
2. Review for Responsiveness. One of the first steps of every evaluation process is to determine if the proposals are “responsive or non-responsive” to the Request for Proposals. “Responsive” means that the proposal conforms in all material respects to the Request for Proposals.
 - a. The buyer/senior buyer and SAC will make the initial determination of whether a proposal is responsive. This determination is subject to change as information is revealed during the course of the evaluation process or anytime up to contract execution and must be corroborated by buyer/senior buyer.
 - b. At times, the SAC may determine that a proposal simply does not warrant further consideration because of the inadequacy of the submitted proposal and will proceed to deem these proposals “non-responsive” with the concurrence of the buyer/senior buyer. However, great care should be used when making this decision because of the time and cost that a respondent has put into preparing and submitting a proposal.
 - c. Proposals may be deemed “non-responsive” for the following reasons:
 - 1) If any of the required information is not provided;
 - 2) If the proposal is clearly not within the plans or specifications described and required in the RFP and/or materially deviates from what was requested.
 - 3) If exceptions to specification terms and conditions are taken and the SAC determines such exceptions are not in the City’s best interest.
3. Buyer/Senior buyer on behalf of the SAC may request additional information and or clarifications from respondents per the rights reserved in the City's Standard Terms and Conditions.

4. Review for Responsibility. The SAC will evaluate the respondent to determine compliance with applicable state and City responsibility criteria. Such criteria should be set forth in, or referenced by, the RFP. A responsible respondent means a person, firm, or entity that has the capability in all respects to perform fully the contract requirements, and the integrity and reliability, which will assure good faith performance. See TMC 1.06.262 for additional responsibility criteria that may apply.
 - a. References. Prior to the final evaluation, references should be checked if requested in the RFP. The City retains the right to find the proposal not responsible based on negative references alone.

For public works and improvements, where a bidder is determined to be not responsible, the City must provide notice to the bidder, in writing, the reasons for determination per RCW 39.04.370.1 (d). Contact your buyer to initiate the process

5. Selection Advisory Committee Meetings. Once the proposals have been evaluated and scored by individual committee members, the next step is for the committee to get together to discuss the proposals and arrive at the final scoring.
 - a. Scoring of Proposals. SAC members have several options on how to tally their final point assignments, such as:
 - 1) consensus score;
 - 2) a total of all of the points given by individual committee members; and/or
 - 3) an average of the individual scores.
 - b. SAC meetings should maintain meeting notes.

See subsection I. at the end of this Section XV. for additional detailed process information and how to guidance relevant to the scoring process.

6. Final Evaluation and Selection Recommendation.
 - a. Final evaluation must take into consideration all submitted information and must be completed using the evaluation criteria defined in the RFP.
 - b. Final SAC scores must be documented in a scoring matrix and provided to the buyer/senior buyer.
 - c. The highest scoring proposal must be selected unless:
 - 1) The submitted price is found to be excessive or inadequate as measured by criteria stated in the specification.
 - 2) The department/division decides to make a recommendation to the Procurement and Payables Division manager to reject all proposals and cancel the entire RFP process.
 - d. The name of the selected finalist, along with copies of the SAC master scoring sheets and information regarding non-responsive proposals, must be provided to the buyer/senior buyer.

- e. Respondents who have submitted non-responsive proposals and/or who are otherwise not selected as the finalist will be notified in writing by Purchasing. To appeal this decision, vendors must respond by the deadline stated in the notification letter. A late response or no response constitutes a waiver of these procedures.

G. Contract Negotiation and Award – Request for Proposals (Sealed)

1. Contract negotiation may begin with the highest scoring respondent once the appeal process in F. 6. e. immediately above is complete..
 - a. When the RFP process is used for architectural and engineering services, the respondent selected for contract negotiation must be the most qualified based on initial evaluation of non-monetary criteria. Once initial evaluation of qualifications is completed, selected respondent must satisfy all other City criteria set forth in the RFP including, but not limited to, price.
 - b. In those limited cases where the RFP process is utilized for public works and improvements, the finalist selected for contract award as the result of the RFP process shall be deemed the “lowest and best responsible bidder” for purposes of City Charter Section 7.11 and TMC 1.06.255 B.
2. Purchasing will recommend the appropriate contract form to be used and refer the department/division to contact the Legal Department for further contract drafting and negotiation assistance, as needed.
3. The department/division is primarily responsible for all contract and scope of work negotiations. The Legal Department’s role is limited to ensuring the final contract is legally sufficient and to assist, when necessary, with questions regarding legal terms and conditions.
4. The contract negotiation process typically involves the following steps:
 - a. Originating department/division selects and completes the desired contract form from the Purchasing intranet site and prepares draft scope of work.
 - 1) Standard forms for professional services and personal services contracts are available on the Purchasing intranet site.
 - 2) If a sample contract was included in RFP, that form should be used to initiate negotiations.
 - 3) Contract forms proposed by selected respondent may be used, but are disfavored.
 - b. Department/Division completes initial contract and scope of services drafts and sends to the Legal Department with a completed “Trigger Sheet,” when applicable.
 - 1) For professional services, the initial contract and scope of work drafts, with Trigger Sheet, must be sent to Legal prior to sending to the selected respondent.
 - 2) For personal or purchased services, Legal Department review is not required before sending drafts to the selected respondent, but such review may be desirable and cost-effective.
 - c. Send draft contract to the selected respondent. If sending electronically, do so in Word format with track changes allowed. Do not send as a PDF file.

- d. If no changes to the draft contract or scope of work are proposed by respondent, the department/division sends the respondent duplicate originals for signature and then routes to the Legal Department for final review and approval.

- 1) Once signed by the Legal Department, the department/division delivers to Purchasing for final processing according to the contract award procedure in subsection 5. immediately below.

- e. If the selected respondent proposes revisions to the initial contract draft, consult with the Legal Department to determine legal sufficiency, risks, and other considerations related to those revisions. Proposed changes to scope of work are reviewed by the department/division as to operational sufficiency and acceptability.

NOTE: The department/division is primarily responsible for all contract and scope of work negotiations. The Legal Department assists as necessary to resolve specific legal terms or conditions.

- 1) Once a mutually acceptable final draft is negotiated, the department/division sends duplicate originals (hard or electronic copy) to the respondent for signature and then routes to the Legal Department for final review and signature.
 - 2) Once signed by the Legal Department, the department/division delivers to Purchasing for final processing according to contract award procedure in subsection 5. immediately below.

5. Contract Award Procedures for RFP (Bid/Proposal Submittal Package)

- a. Contracts of \$200,000 or less are typically routed by the department/division with a routing slip attached. Use of the [City's online contract tracking webpage](#) is recommended to track status. Use this link to [view where a contact is in the routing process](#).

- b. For contracts over \$200,000, the following steps are required:

- 1) The originating department/division submits its draft C&A letter to the senior buyer for review.
 - 2) The senior buyer reviews draft C&A letter, makes any necessary corrections, and emails to department/division to finalize.
 - 3) The originating department/division sends finalized and signed C&A letter, along with the following documents (the "Bid Submittal Package") to Purchasing:
 - a) Board of Contracts and Awards (C&A) letter
 - b) HUB and/or LEAP memo, if applicable
 - c) Original submittals
 - d) Bid tabulation, if applicable
 - e) Evaluation/score sheets

- c. At this point in the process a contract signed by the vendor and the Legal Department should be in place.

- d. In the event a timely and proper protest has been submitted to the Procurement and Payables Division manager, the protest procedure set forth in Section XVII. shall be followed.
6. Post Award Procedures for Contracts Resulting from RFP Process. After the City Council or Public Utility Board has approved award of the contract, the following steps are taken depending on the type of contract involved:
 - a. For purchased, personal, or professional services over \$200,000, the department/division routes the contract for remaining required signatures. At a minimum, contracts must be signed by the vendor, Legal Department, Director of Finance, and appropriate department/division representative. (See c. below.)
 - b. For public works and improvements/construction contracts, and other cases where the one-page contract form is used:
 - 1) Purchasing will prepare the award letter, together with the contract, insurance, and other appropriate documents, and send to the contract awardee within approximately two days following award.
 - 2) Purchasing will provide the originating department/division with a copy of the contract cover letter.
 - 3) The contract awardee signs and returns the contract documents to Purchasing within 10 business days of the date of the contract award cover letter.
 - 4) Upon receipt of completed contract documents, including bonding and insurance as applicable, Purchasing will route such documents for required signature approval by the Legal Department, Director of Finance, and City Manager/Director of Utilities, or their respective designees.
 - 5) Internal Distribution. The signed contract, along with other signed contractual documents such as performance bond, is inserted into the full specification before sending to the vendor. A copy is also sent to the department/division, and a copy is maintained by Purchasing.
 - For solicitations distributed by Purchasing, unless otherwise requested by the department/division, Purchasing prints three hard copies of the specification for contract distribution after award. One goes to the vendor, one to the department/division and one is kept by Purchasing.
 - For solicitations distributed by the City's designated plan distributor, the department/division arranges to have three copies of the complete specification, excluding oversized drawings, delivered to Purchasing. One goes to the vendor, one to the department/division and one is kept by Purchasing.
 - c. Send the fully signed contracts to Purchasing (if not done previously). At a minimum, all signed purchase contracts, regardless of dollar amount, must be approved and signed by (in suggested order):
 - 1) the successful bidder(s);
 - 2) City Attorney, or designee, per Tacoma City Charter Section 7.13 and TMC 1.06.268 A.3. (See Note below);
 - 3) Director of Finance, or designee, per TMC 1.06.268.A.2; and

- 4) City Manager or Director of Utilities, or their respective designee, per TMC 1.06.268 A.1.

General Government contracts may also require the signature of the Risk Manager (if over \$25,000) and of the City Clerk (if contract is signed by City Manager or Deputy City Manager).

NOTE: Providing the Legal Department with information confirming that the appropriate competitive solicitation process was followed or appropriately waived for the particular agreement facilitates legal review and approval.

- d. Purchasing will create and release a SAP a contract or issue a PO as appropriate once fully executed contract documents have been received by Purchasing.

H. Protests – Request for Proposals (Sealed)

The selection of a finalist to engage in contract negotiations may be protested, but such protests shall be limited to challenges of process and must be timely submitted to the Procurement and Payables Division manager. Challenges to the exercise of discretion or judgment by the SAC or the originating department/division are not allowed. (See detailed information in Section XVII.)

I. Detailed Process Information and How-To Guidance – Request for Proposals (Sealed)

1. Evaluation Criteria: How Much Detail?

Identify the major criteria that are critical to the success of the RFP. Some commonly used criteria are qualifications, relevant experience, quality of work, references, service, physical facilities, human resources, City of Tacoma HUB status, cost, technical capabilities, industry standards and proposed timelines. RFPs can only be evaluated on stated criteria, so include everything to be measured and ensure that the criteria are measurable. Once you have determined the major categories, reference those sections of the RFP that set out the specific criteria that will be evaluated and determine point assignments. Use the following as an example:

2. Evaluation Criteria and Valuation Criteria and Weighted Value

- a. Ability to provide services that accomplish program needs
40 points
 - Methods and strategy to accomplish tasks and complete assignments
 - Ability to complete multiple tasks or create a turn-key program that reduces internal workload
- b. Experience and qualifications
20 points
 - Demonstrated experience and success with direct mail campaigns
 - Success packaging and shipping compact fluorescent light bulbs, showerheads, or similar items.
 - Experience working with Tacoma Power or other Northwest utilities.
- c. Ability to provide cost effective products or services that meet specifications

40 points

- Product quality meets or exceeds expectations
 - Fit and finish
 - Size and quality
 - Energy saving potential
- Compliance with material specifications (where applicable)
- Price of product or service

3. How do you Score Price?

There are several different methods to award points based on the cost set out for each proposal. If cost is included as one of the evaluation factors for a RFP, then there must be some way to convert the dollar amount into a score, or awarded points. The following methods for scoring the cost portion of an RFP response are suggested:

a. Ratio Method.

With this method, the proposal with the lowest price receives the maximum points allowed. All other proposals receive a percentage of the points available based on their price relationship to the lowest.

Example: The price for the lowest proposal is \$100,000. The next lowest proposal has a price of \$125,000. The total points available for price is 100 points.

$\$100,000$ (lowest price) = 100 points

$\$100,000/\$125,000 = 0.8$. $100 \times 0.8 = 80$ points for price of \$125,000

b. Best Value Method.

In this method, all factors except price are considered and scored according to the established criteria. Once this is complete, the price evaluation is done by dividing the total points awarded to each proposal by its proposed price. In this method, a value is presented in the form of a price per point. The proposal with the lowest price per point represents the best value to the City and would receive the award. When using this method, Purchasing suggests establishing a minimum acceptable score each proposal would have to achieve in order to move forward in the process. Proposals that do not meet the minimum level would not advance to the final evaluation step.

Example:

Category	Proposal A	Proposal B	Proposal C
Technical	400	590	700
Qualifications	240	280	230
Total Points	640	870	930
Price	\$100,000	\$125,000	\$150,000
Proposal	Price	Points	= Price per point
A	\$100,000	640	156
B	\$125,000	870	144
C	\$150,000	930	161

Proposal B would received the award because it provides the lowest price per point, or best value to the City.

c. Two-Step Method.

The Two-Step Method is designed to reward the lowest price proposal that meets specific qualifications. This is accomplished by first specifying the criteria that will be used to determine a “qualified proposal.” Typically, a proposal is deemed qualified if it has passed all minimum criteria or scores established, and is within a certain percentage of the top scoring proposal, typically within 10 to 15 percent. All proposals that meet these criteria are deemed qualified, and the proposal with the lowest price would receive the award.

XVI. SEALED SOLICITATIONS – REQUEST FOR QUALIFICATIONS

A. Purpose and Overview

A Request for Qualifications (RFQ) is most commonly used for the procurement of architectural and engineering services. RFQs are sometimes used as part one of a two-part (RFQ then RFP) process, typically for professional services. When using this two-step process, the contract is awarded from the RFP rather than the RFQ. RFQs are conducted as sealed solicitations. Your senior buyer and/or buyer will work with you to determine which type of solicitation is appropriate. (Reference TMC 1.06.254)

1. When is an RFQ used?
 - a. To solicit for architectural and engineering services. RCW 39.80 mandates that A&E services are contracted based on qualifications, with the award going to the most qualified firm at a price which the City determines to be fair and reasonable. Price is not a consideration in determining the most qualified respondent.
 - b. When a two-step (RFQ then RFP) process is conducted. For example, for large or complicated projects that may require respondents to expend a significant amount of time or money to prepare a project specific submittal, initial screening may be accomplished through the use of a RFQ before soliciting through an RFP. When the two-step RFQ/RFP process is used, a list of qualified firms is first established from the RFQ. Only these vendors are invited to respond to the RFP (the second step). Work with your senior buyer to conduct the RFP phase.
 - c. In public works and improvements (construction/labor) projects in limited and exceptional circumstances, such as the alternative public works (design-build) contracting procedures in RCW 39.10. Design-build contracting procedures contemplate a two-step process where an RFQ is issued and then qualified firms are invited to submit sealed bids. Use of this process is very infrequent.
 - 1) In the rare instance Public Work and Improvement is solicited via an RFQ, the RFQ documents must include all appropriate references, such as prevailing wage rates and LEAP.
2. The RFQ process requires multiple steps. Each step builds toward the eventual award of a contract. Some of the steps are optional, depending on the nature of the project. Departments/Divisions should contact Purchasing early in the process and rely on the senior buyer/buyer to guide and assist in making decisions on optional portions of the RFQ process.
3. How to Initiate the RFQ Process. Confer with your senior buyer to:
 - a. Define the project goals.
 - b. Develop a plan for reaching the goals.
 - c. Evaluate if an RFQ is the best procurement tool to use.
 - d. Obtain necessary management approvals.

- e. Organize the staff required to carry out the RFQ process, including but not limited to the selection advisory committee. (See subsection B. 2. below for further details regarding SAC.)
- f. Submit a notification memo or purchase requisition to your senior buyer.

B. Specification Preparation – Request for Qualifications (Sealed)

1. Establish the Core Requirements and Contents of the RFQ.

The originating department/division writes substantive content of the RFQ, including description(s) of desired services and/or supplies and all qualification or performance criteria that will be scored.

- a. Purchasing maintains a standard outline for RFQs that includes mandatory terms and conditions as well as required forms. Contact your senior buyer for up-to-date forms.
- b. Incorporate all special legal requirements or industry requirements (special licenses, certifications, etc.).
- c. Determine minimum standards that will be acceptable (pass/fail, must/may).
- d. Review Standard Terms and Conditions and other required RFQ content forms.
- e. Consider use of a sample contract, e.g., a professional services contract. Such samples are not mandatory, but help establish basic terms and conditions and may expedite contract negotiation.
- f. Determine any special and/or technical terms and conditions to be included.
- g. Establish budgetary constraints.
- h. Use care regarding mandatory provisions (e.g., “shall,” “must,” “will”) versus permissive provisions (“may,” “can,” “could”).

2. Establish Selection Advisory Committee (SAC).

Though optional, it is best practice to follow the selection advisory committee process, especially for projects that generate a high-level of public interest. If a formal SAC is not used, the department/division shall adhere to the same evaluation and record keeping processes. If an SAC is not established, references to SAC below shall be to the department/division.

If a SAC will be used, the director or superintendent of the originating department/division, or their designee (i.e., the department/division contact person), shall establish the SAC in consultation with a senior buyer. The SAC should consist of a minimum of three members. For contracts requiring multiple technical disciplines, the SAC should include additional members with experience and expertise consistent with the value or complexity of services/supplies to be solicited. The SAC should include at least one member from Purchasing to provide process assistance and oversight, but that member will not typically

evaluate qualifications or otherwise score responses. The SAC process includes the following:

- a. Select a group of subject matter experts.
- b. Explain time commitment.
- c. Explain potential conflict of interest issues
- d. Have each SAC member obtain necessary supervisory approval for participation and time commitment.
- e. Select SAC chairperson.
- f. In the event a member of the SAC has a conflict of interest, he or she must immediately withdraw from the process.
- g. If an SAC member has a scheduling conflict such that he or she cannot fully participate in the evaluation process per subsection F., the director or superintendent, or their designee, must promptly appoint a replacement unless the SAC chair determines there are a sufficient number of members available to continue the evaluation process.

3. Establish the Evaluation Criteria.

Evaluation criteria are the factors used to determine which of several competing submittals in response to an RFQ would best meet the City's needs. In establishing effective evaluation criteria, a department/division must clearly identify the factors relevant to its selection of a contractor and then prioritize or weigh these factors according to their importance in satisfying the procurement needs of the department/division. Together, the proper identification and weighting of the evaluation criteria will form an evaluation plan that will provide the SAC with a common standard by which to judge the merit of competing statements of qualifications. This allows the department/division to rank the statements of qualifications received while simultaneously providing respondents with a fair basis for comparison. When evaluation criteria are properly selected and weighed, the statements of qualifications received will accurately reflect the respondent's understanding of the solicitation and the respondent's ability to deliver what the City needs. Establishment of evaluation criteria includes:

- a. Identifying the major criteria that are critical for the success of the RFQ.
 - 1) Commonly used criteria are:
 - Qualifications
 - Relevant experience
 - Quality of work
 - References
 - Service
 - Physical facilities
 - Human resources
 - Technical Capabilities
 - Proposed Timelines

- 2) Consider additional factors set forth in TMC 1.06.262 and 1.06.263
- b. Prioritize evaluation criteria and determine what information is to be provided by respondents to satisfy each criterion.
 - 1) The evaluation criteria should be in terms that can be measured and evaluated. Avoid words that are overly subjective or general.
- 4. Establish Scoring and Weighted Value Provisions. Statements of qualifications submitted in response to RFQs are evaluated on the criteria stated in the RFQ. Thus, the originating department/division should include everything it wants to measure for purposes of contract award.
 - a. Specify how much each criterion is worth.
 - 1) Each scoring provision may be stated in the form of specific points or a percentage.
 - 2) The importance of each criterion and the weight given to each criterion will largely depend on what the department/division desires from the resulting contract.
 - 3) Evaluation of qualifications and ability to perform should be primary consideration and should be scored accordingly.
 - 4) Time constraints may result in increase weight for the ability and the guarantee of the contractor to complete projects by specified dates.
 - 5) Cost does not have to be a factor, though it is unlikely that it will not be considered at some point. Budget constraints may help determine the weight of the cost element.
 - a) For A&E services, cost is *only* considered after other qualification and performance criteria are evaluated.
 - b. Explain in the RFQ how points will be awarded.
 - c. There may be rare cases where evaluation criteria are not well suited for traditional scoring methods. Check with your senior buyer for alternative approaches.

C. Solicitation Procedure – Request for Qualifications (Sealed)

- 1. Department/Division (or Purchasing) assigns new [specification number](#) (aka bid number) for the solicitation using the bid numbering application on the Purchasing intranet site.
- 2. Department/Division sends the following via e-mail or other electronic means (CD or flash drive) to the senior buyer for review a minimum of five days prior to advertisement:
 - a. Notification memo (aka bid notification memo). Include the proposed timeframe for advertising (minimum of five days). Purchasing staff will work with departments/divisions to meet their desired timelines wherever possible, but be aware that your buyer/senior buyer supports several departments/divisions and may have a backlog of projects they're working. The notification memo should be provided to Purchasing in advance of the specification draft. Start early.
 - b. Electronic draft solicitation document. Include technical and special requirements of the specification, i.e., the details of qualifications desired.
 - c. Suggested vendor list including e-mail addresses. If potential vendors are unknown,

notify Purchasing so that vendor sourcing can be done.

3. Senior buyer reviews electronic draft solicitation document and returns it to the department/division with recommended changes, edits, comments, questions, etc.
4. Department/Division reviews modifications, makes additional edits and returns the electronic draft to the senior buyer, along with the following:
 - a. Any applicable attachments, e.g., electronic plans and drawings, HUB and LEAP goals as determined by HUB or LEAP staff, etc. Send by e-mail, or other electronic means (CD or flash drive).
 - b. Marked-up printed draft (routed copy), if any, for reference and bid file.
5. Final Preparation of the RFQ for Advertising. Once a final draft of department/division specification is achieved, **Purchasing**:
 - a. Inserts any additional required or necessary information, documents, and standard requirements such as:
 - 1) The signed Request for Bids/Proposals/Qualifications page;
 - 2) City's Standard Terms and Conditions;
 - 3) A sample contract, when requested and provided by the department/division, which may be tailored for the proposed project or services by submitting the professional services contract trigger sheet to the Legal Department;
 - 4) HUB and Personnel Inventory form;
 - 5) When applicable, (e.g., public works and improvements) prevailing wage forms, LEAP forms, etc.
 - b. Converts to PDF format and combines into one complete document for posting. Drawings are posted separately.
 - c. Prepares the RFQ for advertising. For this step, the **senior buyer** will:
 - 1) Review the RFQ for compliance with laws, rules, and policies;
 - 2) Conduct additional sourcing and add potential respondents, if found, to the e-mail notification list; and
 - 3) Establish the final project schedule with the department/division contact person.
 - d. If requested by the originating department/division, Purchasing will send a copy of the final solicitation in PDF format to the department/division prior to advertising and posting to the web. Once the solicitation is posted on the web, the originating department/division contact is copied on the e-mail notification sent to prospective respondents, inviting them to view/download the specification.
6. Purchasing advertises the solicitation (RFQ) in the City's official newspaper (must be advertised a minimum of five business days prior to submittal deadline per TMC 1.06.259), currently the Tacoma Daily Index, and:
 - a. Emails the solicitation announcement to the list of potential respondents.

- b. Posts the solicitation to the City's website.

7. Final Preparation of Evaluation Process

- a. Prior to the deadline set for receipt of submittals, the SAC must make the final preparation for the evaluation process. Items to be completed include: A detailed score sheet based on the evaluation criteria included in the specification, schedule of evaluation process, and decision on scoring method.
- b. The completed evaluation process must be submitted to the senior buyer for review. If unsure of best evaluation method to use, consult your senior buyer for recommendations.

8. Pre-Submittal Clarifications and Optional Conference

- a. Typically, potential respondents are provided an opportunity to submit written questions concerning the RFQ. This is optional, but has been a useful method for fielding and responding to questions. A specific deadline for submission of questions must be set in the RFQ.
- b. Questions are submitted to the senior buyer and forwarded to the department/division contact person, as necessary.
- c. The department/division contact person prepares written answers and submits them to the senior buyer for review.
- d. Purchasing posts the answers and related information, if any, to the City's website. This typically is not done as a formal addendum unless responses make a material change to the specifications, in which case, an addendum will be issued. (See subsection D. immediately below)
- e. If desired, the department/division contact person may conduct a pre-submittal face-to-face or conference call for potential respondents. The time and location of the conference must be stated in the specification. Allow adequate time between the pre-submittal conference and the submittal deadline for the issuance of addenda, if needed. Addenda must be posted a minimum of five business days prior to RFQ opening date.
- f. The SAC chairperson and the buyer/senior buyer typically conducts the pre-submittal conference.
- g. Departments/Divisions may choose to record the conference, but it is not required.
- h. A sign-in sheet should be collected at the conference.
- i. Attendees must be aware that any oral responses to questions at a pre-submittal conference are not binding until reduced to writing.
- j. Setting deadlines for clarification questions. When setting the deadline for questions, be sure you allow enough time for:
 - 1) respondents to have received and read the RFQ;

- 2) the department/division contact person to provide thoughtful answers to the questions;
- 3) posting the written questions and answers, or issuance of an addendum, as required; and
- 4) enough time before the submittal deadline (a minimum of five business days when addenda is issued) for respondents to incorporate the information from the addendum into their submittals.

D. Addenda – Request for Qualifications (Sealed)

1. The originating department/division must send electronic versions of all addenda to its senior buyer.
2. Changes to previously advertised solicitation documents in final form, including changes by addenda, must be available a minimum of five business days. (Reference TMC 1.06.259) Purchasing will send an e-mail notification of addenda to those registered on the planholders (aka bid holders) list.
3. Standard timelines for addenda:
 - a. Due to Purchasing by noon, Tuesday prior to submittal deadline, to ***maintain*** the original submittal deadline.
 - b. Due to Purchasing by noon, Friday prior to submittal deadline, to ***extend*** the submittal deadline.
 - c. Addenda are typically not issued the Monday before the submittal deadline. Purchasing will work with the department/division to ensure any bids received are not opened. The solicitation may be declared as cancelled by the Procurement and Payables Division manager and the buyer will coordinate with the department/division to re-issue a new specification, if needed. Alternatively, where it's determined to be in the best interest of the City the Procurement and Payables manager may authorize the submittal deadline be extended a minimum of five business days (See subsection 2. immediately above) and the buyer will coordinate the issue of addenda.

E. Public Bid Opening – Request for Qualifications (Sealed)

1. Receipt and Public Opening of Submittals
 - a. Purchasing must receive submittals by the deadline and at the location designated in the solicitation documents.
 - b. Purchasing conducts the public bid openings on Tuesdays at 11:00 a.m., unless otherwise expressly designated in the solicitation documents.
 - c. Initial results as read at bid opening (for RFQs, only respondents name and location are read) are posted to the City's Internet site after 1:00 p.m. the same day.
 - d. Purchasing makes a control copy of the submittals, if needed, and notifies originating department/division when the originals are available for pickup.

2. Public Record Requests. All statements of qualifications received by the City are public records subject to disclosure under the State's Public Records Act (Chapter 42.56, RCW). However, disclosure may be properly delayed if it would unreasonably interfere with the City's evaluation of statements of qualifications and/or contract negotiation with the selected finalist. Typically, once the evaluation process is completed and a finalist is selected, disclosure of all materials received by the City will be required. Please consult with Legal Department on case by case basis.

See Section III. A., B., and C. for additional information regarding public disclosure and confidentiality.

F. Evaluation – Request for Qualifications (Sealed)

1. Role of Selection Advisory Committee (SAC) and Purchasing

- a. If a formal SAC is not used, the department/division shall adhere to the evaluation process below. If an SAC is not established, references to SAC below shall be to the department/division.
- b. Statements of qualifications must be distributed to each SAC member. Each member will conduct individual evaluation and scoring of statements of qualifications received according to the detailed score sheet, scoring method, and schedule established with Purchasing prior to the deadline set for receipt of submittals. As noted below, statements of qualifications may be deemed non-responsive. In that event, further evaluation of non-responsive statements of qualifications by individual SAC members may be terminated.
- c. Prior to the initial scoring of the statements of qualifications, the SAC should meet to discuss the statements of qualifications review and scoring process. Each committee member should have a clear understanding of the scoring process and how points will be assigned.
- d. Committee members must be given sufficient time to read and evaluate each statement of qualifications prior to meeting as a group to score the statements of qualifications.
- e. Any questions regarding the scoring process should be addressed to the buyer/senior buyer or committee chairperson.

2. Review for Responsiveness. One of the first steps of every evaluation process is to determine if the statements of qualifications are “responsive or non-responsive” to the Request for Qualifications. “Responsive” means that the submittal conforms in all material respects to the Request for Qualifications.
 - a. The buyer/senior buyer and SAC will make the initial determination of whether a submittal is responsive. This determination is subject to change as information is revealed during the course of the evaluation process or anytime up to contract execution and must be corroborated by buyer/senior buyer.
 - b. At times, the SAC may determine that a statements of qualifications simply does not warrant further consideration because of the inadequacy of the submitted statements of qualifications and will proceed to deem these statements of qualifications “non-

responsive” with the concurrence of the buyer/senior buyer. However, great care should be used when making this decision because of the time and cost that a respondent has put into preparing and submitting a statements of qualifications.

c. Statements of qualifications may be deemed “**non-responsive**” for the following reasons:

- 1) If any of the required information is not provided;
- 2) If the statement of qualifications is clearly not within the plans or specifications described and required in the RFQ and/or materially deviates from what was requested.
- 3) If exceptions to specification terms and conditions are taken and the SAC determines such exceptions are not in the City’s best interest

3. Buyer/Senior buyer on behalf of the SAC may request additional information and or clarifications from respondents per the rights reserved in the City's Standard Terms and Conditions.

4. Review for Responsibility. The SAC will evaluate the respondent to determine compliance with applicable state and City responsibility criteria. Such criteria should be set forth in, or referenced by, the RFQ. A responsible respondent means a person, firm, or entity that has the capability in all respects to perform fully the contract requirements, and the integrity and reliability, which will assure good faith performance. See TMC 1.06.262 for additional responsibility criteria that may apply.

a. References. Prior to the final evaluation, references should be checked if requested in the RFQ. The City retains the right to find the statements of qualifications not responsible based on negative references alone.

For public works and improvements, where a bidder is determined to be not responsible, the City must provide notice to the bidder, in writing, the reasons for determination per RCW 39.04.370.1 (d). Contact your buyer to initiate the process.

5. Selection Advisory Committee Meetings. Once the statements of qualifications have been evaluated and scored by individual committee members, the next step is for the committee to get together to discuss them and arrive at the final scoring.

a. Scoring of statements of qualifications. SAC members have several options on how to tally their final point assignments, such as:

- 1) consensus score;
- 2) a total of all of the points given by individual committee members; and/or
- 3) an average of the individual scores.

b. SAC meetings should maintain meeting notes.

See Section XV. I. for additional detailed process information and how to guidance relevant to the scoring process.

6. Final Evaluation and Selection Recommendation.

- a. Final evaluation must take into consideration all submitted information and must be completed using the evaluation criteria defined in the RFQ.
- b. Final SAC scores must be documented in a scoring matrix and provided to the buyer/senior buyer.
- c. The selected finalist(s), along with copies of the SAC master scoring sheets and information regarding non-responsive statements of qualifications must be provided to the buyer/senior buyer.
- d. Respondents who have submitted non-responsive statements of qualifications and/or who are otherwise not selected as the finalist(s) will be notified in writing by Purchasing. To appeal this decision, vendors must respond by the deadline stated in the notification letter. A late response or no response constitutes a waiver of these procedures.

G. Contract Negotiation and Award – Request for Qualifications (Sealed)

1. Where awarding directly from an RFQ, typically when contracting for architectural and engineering services (versus the two-step RFQ to RFP solicitation process), contract negotiations may begin with the highest scoring respondent once the appeal process in F. 6. d. immediately above is complete
 - a. When the RFQ process is used for architectural and engineering services, the respondent selected for contract negotiation must be the most qualified based on initial evaluation of non-monetary criteria. Once initial evaluation of qualifications is completed, selected respondent must satisfy all other City criteria set forth in the RFQ.
 - b. In those limited cases where the RFQ process is utilized for public works and improvements, the finalist selected for contract award as the result of the RFQ process shall be deemed the “lowest and best responsible bidder” for purposes of City Charter Section 7.11 and TMC 1.06.255 B.
2. Purchasing will recommend the appropriate contract form to be used and refer the department/division to contact the Legal Department for further contract drafting and negotiation assistance, as needed.
3. The department/division is primarily responsible for all contract and scope of work negotiations. The Legal Department’s role is limited to ensuring the final contract is legally sufficient and to assist, when necessary, with questions regarding legal terms and conditions.
4. The contract negotiation process typically involves the following steps:
 - a. Originating department/division selects and completes the desired contract form from the Purchasing intranet site and prepares draft scope of work.
 - 1) Standard forms for professional services and personal services contracts are available on the Purchasing intranet site.
 - 2) If a sample contract was included in RFQ, that form should be used to initiate negotiations.
 - 3) Contract forms proposed by selected respondent may be used, but are disfavored.

- b. Department/Division completes initial contract and scope of services drafts and sends to the Legal Department along with a completed “Trigger Sheet,” when applicable.
 - 1) For professional services, the initial contract and scope of work drafts, along with Trigger Sheet, must be sent to Legal prior to sending to the selected respondent.
 - 2) For personal or purchased services, Legal Department review is not required before sending drafts to the selected respondent, but such review may be desirable and cost-effective.
- c. Send draft contract to the selected respondent. If sending electronically, do so in Word format with track changes allowed. Do not send as a PDF file.
- d. If no changes to the draft contract or scope of work are proposed by respondent, the department/division sends duplicate originals (hard or electronic copy) to the respondent for signature.
- e. The department/division routes the signed (by the respondent) contracts to the Legal Department for final review and approval.
 - 1) Once signed by the Legal Department, the department/division delivers the fully signed contract to Purchasing for final processing according to the contract award procedure in subsection 5. immediately below.
- f. If the selected respondent proposes revisions to the initial contract draft, consult with the Legal Department to determine legal sufficiency, risks, and other considerations related to those revisions. Proposed changes to scope of work are reviewed by the department/division as to operational sufficiency and acceptability.

NOTE: The department/division is primarily responsible for all contract and scope of work negotiations. The Legal Department assists as necessary to resolve specific legal terms or conditions.

- 1) Once a mutually acceptable final draft is negotiated, the department/division sends duplicate originals (hard or electronic copy) to the respondent for signature.
- 2) Once the duplicate originals of the contract are signed by the respondent, the department/division routes them to the Legal Department for final review and signature.
- 3) The department/division sends the fully signed contract to Purchasing for final processing according to contract award procedure in subsection 5. immediately below. At a minimum, all signed purchase contracts, regardless of dollar amount, must be approved and signed by (in suggested order):
 - i) the successful bidder(s);
 - ii) City Attorney, or designee, per Tacoma City Charter Section 7.13 and TMC 1.06.268 A.3. See Note below);
 - iii) Director of Finance, or designee, per TMC 1.06.268.A.2; and
 - iv) City Manager or Director of Utilities, or their respective designee, per TMC 1.06.268 A.1.

General Government contracts may also require the signature of the Risk Manager (if over \$25,000) and of the City Clerk (if contract is signed by City Manager or Deputy City Manager).

NOTE: Providing the Legal Department with information confirming that the appropriate competitive solicitation process was followed or appropriately waived for the particular agreement facilitates legal review and approval.

5. Contract Award Procedures for RFQ

- a. If a contract is to be awarded from the RFQ process, for example, for architectural or engineering services, follow the contract award procedures for RFPs. (See Section XV. G. 5. and G. 6.)
- b. In the event a timely and proper protest has been submitted to the Procurement and Payables Division manager, the protest procedure set forth in Section XVII. shall be followed.

H. Protests – Request for Qualifications (Sealed)

The selection of a finalist to engage in contract negotiations may be protested, but such protests shall be limited to challenges of process and must be timely submitted to the Procurement and Payables Division manager. Challenges to the exercise of discretion or judgment by the SAC or the originating department/division are not allowed. See detailed information in Section XVII.

XVII. PROTESTS

A. Purpose and Overview

1. The purpose of the following protest rules, standards, and procedures is to promote the prudent and proper use of public funds and to provide a fair forum for parties participating in the solicitation and award of City contracts. Subject to the limits and procedures set forth in this Section XVII., all parties who have submitted a bid, proposal, quote, or submittal in response to a solicitation by the City shall have the right to timely protest the City's solicitation process and/or a contract award recommendation made by a department/division.
2. For purposes of this Section XVII., the terms "bid," "proposal," "quote," "submittal," and "solicitation" shall be as defined in TMC 1.06.251. Unless otherwise defined or expressed in this Section, the terms "bid" and "bidders" shall be as defined in TMC 1.06.251 and apply to all protest procedures.
3. Protests involving a request for proposals (RFP), request for qualifications (RFQ), or request for information (RFI) shall be limited to the solicitation and/or evaluation process. No RFP, RFQ, or RFI protest will be accepted when based solely on a challenge to the City's exercise of discretion or judgment in selection of finalist(s) or in making a contract award recommendation.
4. The City is authorized to reject any and all submittals and to cancel any solicitation process. The City's decision to cancel the solicitation process and/or reject all submittals is not subject to protest. (Reference City Charter Section 7.11; TMC 1.06.266 E)
5. Protests involving solicitations, selection of finalist(s), and/or an award recommendation for contracts of \$200,000 or less must be filed with and heard exclusively by the Procurement and Payables Division manager. Protests involving solicitations, selection of finalist(s), and/or an award recommendation for contracts over \$200,000 must be filed with the Procurement and Payables Division manager and are heard by the C&A Board. The decision of the C&A Board may be appealed to the City Council or the Public Utility Board on a quasi-judicial de novo basis on the record below.
6. Protests shall be filed with the Procurement and Payables Division manager according to the timelines, and are limited to the subject matter(s), specified in this Section XVII. A protest not made in the required manner or by the required deadlines set forth below shall not be considered or acted upon by the City – regardless of whether such matter is intended to be a protest to the Procurement and Payables Division manager, to the C&A Board, or as a request for quasi-judicial hearing to the City Council or Public Utility Board.

B. Protests Prior To Submittal Deadline – Contracts Over \$50,000. Objections asserted before submittals are due shall be considered and processed as a formal protest if asserted according to the following rules and procedures:

1. Pre-Submittal protests shall be limited to the following objections:
 - a. The solicitation specifications, minimum qualifications, terms and conditions, or any aspect of the solicitation that is alleged to unduly constrain competition;

- b. The fairness or accessibility of the pre-bid/pre-submittal conference;
 - c. Concerns that the protestor's questions were not fully or properly addressed by the originating division/department or Purchasing;
 - d. Concerns that the solicitation documents did not provide adequate information or contained improper criteria; or
 - e. Any other matter known or that should have been known to interested bidders by reading the solicitation documents.
2. The protestor shall notify, in writing, the Procurement and Payables Division manager of any permissible objection (per subsection B. 1. immediately above) as soon as practical, but no later than 5:00 p.m. three (3) business days before the submittal deadline. Untimely objections shall not be accepted or processed as a protest. Purchasing will promptly forward all timely written objections onto the department/division.
 3. Failure to assert a pre-submittal protest according to the rules and procedures of this subsection B. shall result in the waiver of any further right to protest the matters specified in subsection B. 1. Protests filed later than 5:00 p.m. three (3) business days prior to the submittal deadline will be rejected by Procurement and Payables Division manager or will be limited by Procurement and Payables Division manager to issues that are allowed to be asserted under subsection C. below.
 4. The Procurement and Payables Division manager, in coordination with the originating department/division, will evaluate pre-submittal protests.
 - a. The protesting bidder(s) and recommended awardee(s) shall be advised, in writing, of the Procurement and Payables Division manager's determination on the matter as soon as practicable after a decision (including a decision to reject the protest as improper) is reached.
 - b. The written determination of the protest by the Procurement and Payables Division manager shall:
 - 1) Find the protest lacking in merit and uphold the division/department recommendation; or
 - 2) Find only immaterial or harmless errors in the City's acquisition process and therefore reject the protest; or
 - 3) Find merit in the protest and issue an addendum to correct the confirmed error; or
 - 4) Find merit in the protest and cancel the solicitation.
 - c. If the Procurement and Payables Division manager finds the protest without merit the City may continue the solicitation process.
 - d. No pre-submittal protest shall require the City to extend a submittal deadline or cancel a solicitation request; however, the City reserves the right to do so at the sole discretion of the Procurement and Payables Division manager.

C. Grounds for Protests Following Submittal Deadline. A bidder/respondent to a City solicitation may, after the submittal deadline, submit a protest involving the following City actions and/or alleging the following grounds:

1. City's rejection of submittal as non-responsive;
2. City's rejection of a bidder as not responsible;
3. Allegations the City failed to follow its published evaluation or scoring process;
4. Allegations the City made mathematical errors;
5. Allegations the City engaged in unlawful bias or discrimination and/or has a conflict of interest in the competitive solicitation process; and/or
6. Allegations the competitive solicitation process as conducted by the City, and/or the resulting award recommendation or award, was arbitrary and capricious or contrary to law.

NOTE: Protests not raising any of the grounds listed above shall be rejected by the Procurement and Payables Division manager or will be limited by the Procurement and Payables Division manager to consideration of permissible grounds for protest. Any part of a protest that has been rejected by Purchasing on this basis will not be further considered by the City.

D. Notice of Non-Selection. Purchasing will issue a Notice of Non-Selection as follows:

- a. For Request for Bids over \$200,000, the notice will be sent to the low bidder(s) not selected for award and the recommended awardee(s) at the time award recommendation is made.
- b. For Request for Bids for public works and improvements over \$50,000, the notice will be sent to the low bidder(s) not selected for award and the recommended awardee(s) at the time award recommendation is made.
- c. For Request for Proposals and Request for Qualifications over \$50,000, the notice will be sent to all respondents not selected for further evaluation or contract award at the time finalist(s) is/are selected, prior to negotiations and/or award recommendation(s).

E. General Requirements for Protests Following Submittal Deadline:

1. All Protests Shall be in Writing and Specify the Grounds for Protest. A protest shall be in writing, state that the bidder is submitting a formal protest, and specify as the subject of the protest one or more of the grounds set forth in subsection C. above.
2. All Protests Shall be Timely Filed With the Procurement and Payables Division Manager. A protest shall be submitted within the applicable time specified in this subsection G. and H. below, or as directed in a written notice issued by Purchasing. If the protest is not timely received by Purchasing, it will be rejected.

Protests shall be directed to the Procurement and Payables Division manager and may be delivered by hand, e-mail, or facsimile. The City is not responsible for, and does not assure, timely receipt of a protest when delivered anywhere other than to the following address:

Procurement and Payables Division - Purchasing
Tacoma Public Utilities Administration Building North, Main Floor
3628 South 35th Street
Tacoma, WA 98409
253-502-8372 FAX
purchasingprotests@cityoftacoma.org
Monday-Friday, 8:00 a.m. - 5:00 p.m., excluding legal holidays

F. Protest Process Exclusive Means. The rules, standards, and procedures contained in this Section XVII. are the exclusive means by which aggrieved parties may protest the City's solicitation process, the selection of finalist(s) by a department/division, and any award recommendation made by a department/division, Procurement and Payables Division manager, and/or the C&A Board. No person or party may pursue any judicial proceedings challenging the solicitation or award of a contract by the City without first fully exhausting the administrative procedures and remedies specified in this Section XVII.

1. Aggrieved parties (or recommended awardees) shall submit their protest(s) and all inquiries regarding a pending protest to the Procurement and Payables Division manager.
2. Communication by vendors (including their agents, representatives, and associates) with the following City offices, officials, and employees regarding potential and/or pending protests is discouraged and said offices, officials, and employees shall promptly refer all protest communications to the Procurement and Payables Division manager for proper processing and resolution pursuant to this Section XVII.:
 - a. City Manager's office, TPU Director's office, City Council and/or Public Utility Board members; or
 - b. C&A Board members; or
 - c. Any other City personnel who influence or may be seen to influence the contract award process.
3. City personnel shall remain fair, ethical, and unbiased in their approach and decision making throughout the protest process.
4. In the event the protest process is disrupted, circumvented or otherwise not observed, the City reserves the right to reject all bids.

G. Specific Protest Procedures – Contracts \$200,000 or Less

1. Matters Subject to Protest, including surplus sales, may be protested to the Procurement and Payables Division manager, whose decision shall be final.
2. Procedure and Deadlines – Protests to Procurement and Payables Division Manager
 - a. Purchasing will issue, by e-mail or fax, a Notice of Non-Selection and option to protest to the Procurement and Payables Division manager as follows:

- 1) For contracts of \$50,001 - \$200,000 for public works and improvements resulting from a Request for Bids, notice is given to the low bidder(s) not selected for award and the recommended awardee(s).
 - 2) For contracts of \$50,001 - \$200,000 resulting from a Request for Proposals or Request for Qualifications, notice is given to all non-selected respondents.
- b. A protesting bidder shall submit in writing to the Procurement and Payables Division manager the basis for the protest and the remedy sought. The protest shall be received by Purchasing no later than two (2) business days (excluding holidays) after issuance of Notice of Non-Selection.
 - c. The Procurement and Payables Division manager, in coordination with the originating department/division, will evaluate such protests.
 - d. The protesting bidder(s) and recommended awardee(s) shall be advised, in writing, of the Procurement and Payables Division manager's determination on the matter as soon as practicable after a decision (including a decision to reject the protest as improper) is reached.
 - e. The written determination of the protest by the Procurement and Payables Division manager shall:
 - 1) Find the protest lacking in merit and uphold the division/department recommendation; or
 - 2) Find only immaterial or harmless errors in the City's acquisition process and therefore reject the protest; or
 - 3) Find merit in the protest and proceed with appropriate action, which may include, but is not limited to, rejecting all bids, re-tabulating or rescoring bids, or otherwise modifying the original award recommendation.
 - f. If the Procurement and Payables Division manager finds the protest without merit the City may continue the bid process or enter into a contract with the recommended bidder if a contract has not been previously signed.

H. Specific Protest Procedures – Contracts Over \$200,000

1. Protests of recommendations for awards of contracts over \$200,000 shall be filed with to the Procurement and Payables Division manager for processing. Such processing includes review and determination of whether the protest is proper and, if so, scheduling the matter for hearing by the Contracts and Awards Board. The C&A Board will hear the protest and either concur with or reject award recommendation by the department/division prior to presentation of the award recommendation to City Council and/or Public Utility Board for contract award approval.
2. Procedure – Protests to C&A Board
 - a. Purchasing shall, at least three (3) business days prior to the matter being considered by the C&A Board, issue by email or fax a Notice of Non-Selection and option to protest to the C&A Board.
 - 1) For contract of over \$200,000 resulting from a Request for Bids, notice is given to the lowest bidder(s) in price and recommended awardee(s).

- 2) For contract over \$200,000 resulting from a Request for Proposals or Request for Qualifications, notice is given to all non-selected respondents.
 - b. Purchasing shall inform those notified of the proper grounds for protest.
 - c. Protesting bidders shall submit in writing to Purchasing the basis for the protest and the remedy sought, including all supporting documents the protestor wants considered. The protest must be received by Purchasing no later than 9:00 a.m. two (2) business days after notice is given (effectively, the third business day).
 - d. The Procurement and Payables Division manager will review the protest and will reject those determined to be improper, or will limit the protest to proper grounds. Purchasing will inform bidders of any rejected or limited protests.
 - e. Purchasing shall schedule a hearing before the C&A Board. Usually the hearing will be at the next scheduled C&A Board, but at the discretion of Procurement and Payables Division manager the hearing could be set for a future C&A Board date.
 - f. Purchasing shall provide written notification by fax or e-mail to the protesting party(ies), recommended awardee(s), and department/division of the protest process and timelines.
 - g. Purchasing shall provide copies of any written submissions to all parties, including the originating division/department.
 - h. The recommended awardee may submit responsive documentation no later than 9:00 a.m. one (1) business day after the notice in f. above is given.
 - i. The C&A Board shall not consider any documentation submitted past the deadlines.
 - j. A protestor's failure to timely submit a protest to the Procurement and Payables Division manager and/or state permissible grounds for the protest as required shall result in a waiver of further protest rights.
3. Hearing and Recommendation by C&A Board. The C&A Board's hearing of the protest shall proceed as follows:
 - a. The originating department/division will briefly describe the purchase, project, solicitation process, and basis for its award recommendation. The department/division may wish to consult with the Legal Department and request representation at the hearing.
 - b. The protesting party will have up to 10 minutes, or more as allowed by the Board Chair, to state the basis of its protest.
 - c. The recommended awardee, if present, will have up to 10 minutes, or more as allowed by the Board, to state its response to the protest.
 - d. The department/division, protestor, or recommended awardee may reserve a portion of their time for rebuttal.
 - e. The C&A Board may conduct such further inquiry of the parties and of the originating department/division as it deems necessary. The C&A Board will be advised by and may

consult with its Legal Department representative, who may not be the same attorney representing the department/division at the hearing.

- f. The C&A Board, at its discretion, may call for a recess to deliberate in closed session before taking action. If the Board chooses a closed session deliberation, it will clear the room of all but Board members and Board's attorney.
- g. At the close of its deliberations the C&A Board will go back on the record and resume the meeting.
- h. The C&A Board's disposition options include, but are not limited to:
 - 1) Voting to accept the department/division's recommendation and to advance that recommendation to the City Council or Public Utility Board.
 - 2) Voting to take other action in light of the protest, including:
 - i. returning the matter to the department/division with instructions to gather additional information and re-submit an award recommendation;
 - ii. recommending the department/division to reject, re-tabulate, or rescore all bids.
- i. Minutes will be kept reflecting the presentation to and recommendation(s) of the C&A Board.
- j. Purchasing, on behalf of the C&A Board, will issue written notice of the C&A Board's decision (including the option to request a quasi-judicial hearing before the City Council/Public Utility Board if aggrieved by the results of the C&A Board decision) to the recommended awardee, all protesting parties, and the department/division on the same day as the C&A Board meeting.
- k. In the event of further appeal, Purchasing will prepare and forward a written summary of the proceedings before the C&A Board, including the reasons for the C&A Board recommendation, to the City Council or Public Utility Board. Purchasing will also forward all of the written materials considered at the C&A Board meeting to the City Council or Public Utility Board and will provide a copy of the summary and written materials to the department/division.

4. Impact of Protest on Award Recommendation Timeframes

Whenever a protest is filed with the C&A Board, award recommendations to the City Council and Public Utility Board will be delayed by one meeting. Exceptions to the delay may be made to the Procurement and Payables Division manager and will be determined on a case-by-case basis. Departments/Divisions should plan accordingly, especially when bid or pricing expiration dates or grant deadlines are involved.

- a. For TPU, award recommendations should be submitted for a C&A meeting scheduled the week prior to the desired Public Utility Board meeting.
- b. For General Government, award recommendations should be submitted for a C&A meeting scheduled two weeks prior to the desired City Council meeting to accommodate delays caused by protests.

I. Protests To City Council and/or Public Utility Board

1. If the C&A Board affirms the department/division recommendation, the protesting party has until 12:00 noon of the second business day after the C&A Board meeting to request a quasi-judicial hearing before the City Council/Public Utility Board.
 - a. For example, if the C&A Board denies a protest at a Wednesday meeting, the request must be delivered by 12:00 noon on Friday.
 - b. The request for quasi-judicial hearing shall be filed with the Procurement and Payable Division manager, and Purchasing will deliver any timely filed requests for quasi-judicial hearings to the City Clerk's office for consideration by the City Council; or to Clerk of the Board, Director of Utilities office, for consideration by the Public Utility Board.
2. Appeals to City Council/Public Utility Board at quasi-judicial hearings are limited in scope to issues and documentation considered by the C&A Board. Questions and comments by City Council members and Public Utility Board members are limited to the same issues and documentation considered by the C&A Board.
3. Summaries of the protest before the C&A Board will be prepared by C&A Board staff (Purchasing) with the assistance of C&A Board legal counsel.
4. Purchasing will assemble the record of the protest before the C&A Board which will consist of at least the following:
 - a. Solicitation documents;
 - b. Submittals in response to solicitations (bids or proposals);
 - c. Documentation department/division relied upon to make award recommendation; and
 - d. Materials presented to C&A Board.
5. Purchasing staff will forward copies of the C&A Board record to:
 - a. The City Clerk's office for appeals to City Council and to the Director of Utilities office for appeals to the Public Utility Board for inclusion in the meeting materials distributed to City Council members or Public Utility Board members, as applicable;
 - b. The originating division/department;
 - c. All parties to the protest; and
 - d. The attorney for the C&A Board.
6. Communication to and from the parties regarding the anticipated process before the City Council or the Public Utility Board shall be generated by and directed to Purchasing.
7. Quasi-judicial hearings are conducted by City Council/Public Utility Board. The Legal Department will provide hearings procedures and guidance as needed to the members of the City Council or the members of the Public Utility Board.

8. The originating department/division and their legal counsel, if desired by the department/division, C&A Board Chair (or designee), and C&A Board's legal counsel, will attend quasi-judicial hearings. In addition, appropriate Purchasing staff will attend to answer City Council or Public Utility Board questions.
9. The C&A Board, by and through its chair, legal advisor, or other appropriate representative will present a summary of the proceedings to date to the City Council or the Public Utility Board and will summarize the issue before the City Council or Public Utility Board.
10. City staff from the originating department/division will be given up to ten minutes to present its contract award recommendation. The legal advisor for requesting department/division may make the presentation on behalf of the department/division or may assist with such presentation as requested.
11. The protestor and recommended contract awardee will each have ten minutes to present, with the protesting party being given the opportunity to reserve a portion of that time for rebuttal.
12. Following testimony, members of the City Council or the Public Utility Board may ask questions, limited in scope to issues and documentation considered by the C&A Board, of City staff and of the parties or their representatives.
13. At the close of the proceedings the City Council or the Public Utility Board at its discretion may retire to a closed session for deliberations.
14. At the close of the deliberations the City Council or the Public Utility Board will make a motion to concur with the recommendation of the C&A Board, to remand to the C&A Board for further consideration, or to take other lawful action.
15. The official result of the quasi-judicial hearing and any further appeal process will be directed by the City Council/Public Utility Board, through the single points of contact:
 - a. City Clerk's office, and/or
 - b. Clerk of the (Public Utility) Board, Director of Utilities office.

XVIII. PROCUREMENT CARDS (PCard) OVERVIEW

Visit the [Procurement Cards](#) section of the Purchasing web page (City Web Portal >Departments> Finance> Purchasing> Procurement Card) to get detailed policy information, required forms and training materials:

- * Procurement Card Policy
- * Application form
- * Tutorials
- * Training schedule
- * Newsletters

- A. The procurement card is a method for purchasing small dollar value, non-repetitive items.
- B. The City's purchasing ordinances and rules still apply. Normal requirements, when applicable, for competitive solicitation, waiver justification, dollar limits, necessary approvals, insurance documentation, legal review of contracts to approve as to form, the Director of Finance or designee signature on contracts, confirmation from Human Resources regarding potential conflict with collective bargaining unit agreements, etc., cannot be circumvented by use of a procurement card.
- C. The PCard is a corporate liability VISA credit card and may be used with any vendor who accepts VISA. There are no special terminal or equipment requirements to process a PCard transaction.
- D. To expedite small dollar purchases of goods and services, excluding public works and improvements (e.g., construction, building maintenance, labor, etc.) in amounts up to \$5,000, as approved by the PCard program manager, regular full time City employees, with their management's approval, are eligible to apply for and utilize the City's PCard.
- E. Temporary employees on special projects maybe issued a PCard after 90 days of continuous employment, with project management and PCard program manager's approval.
- F. New cardholders are required to attend a PCard orientation prior to receiving their cards; subsequent periodic training may be required to keep a card. Separate training is required to have Groups 953 (Extended Travel) and 956 (Non-Travel Food and Restaurant) attached to a card.
- G. The PCard may be used for in-store purchases, telephone, internet, mail or fax orders. It is issued to an individual employee, in their name, and is to be used exclusively by the named employee. The named employee signs the cardholder agreement and is responsible for all charges to the card. The card is City property and the right to use it may be cancelled at any time.
- H. The dollar limits for PCard purchases may be temporarily adjusted if approved by the PCard program manager, upon request of the cardholder's department/division head, up to the established uniform fixed asset limits (\$5,000) for General Government and Tacoma Public Utilities (see section 1. Card Limits).
- I. Transactions over \$5,000 (excluding tax) require additional approval from the Procurement and Payables Division manager.

- J. The City's PCard reconciliation software (XiBuy) makes it possible to pay against certain purchase orders with PCards. This requires permission and set up from the Purchasing Division. Send email requests to the PCard program manager at pcardadmin@cityoftacoma.org.
- K. PCard purchases are controlled by the use of custom Merchant Category Groups (MCC) established by the City of Tacoma. Every vendor who accepts credit cards is assigned by the credit card industry the MCC to indicate what type of business they conduct. Certain codes are restricted (e.g., pawn shops, liquor stores, entertainment venues, ATMs). Allowable MCCs are included in the custom groups.
- L. All cards are assigned to the Standard Group. Other custom groups, such as Extended Travel and Non-Travel Food and Restaurant are attached after required training has been attended and a properly approved PCard Application form has been received.
- M. There are other groups that may be created by the Procurement Card program manager and permanently assigned based on specific needs of particular departments/divisions. Requests for exceptions in memo form are to be sent to the PCard program manager.
- N. MCC restrictions may be temporarily lifted for a single transaction, based on documented need, by sending an email request to the PCard program manager at pcardadmin@cityoftacoma.org. The request must include the name of the merchant, the total dollar amount of the transaction (including tax, freight, shipping and handling), what is being purchased and the purpose.
- O. Allow 24 to 48 hours for processing requests. Emergency requests will be expedited.
- P. Proof of purchase documentation such as itemized receipts and other supporting documentation are required for all PCard transactions and are to be turned in utilizing a [Procurement Card Tracking Form](#). Additional documentation is required for purchases involving [travel](#) and food.
- Q. The [Gift Card and Certificate Policy](#) outlines the process and what is a permissible gift card/certificate purchase using a PCard. Gift cards/certificates may not exceed \$50 and must support a City/TPU sponsored program to encourage change and/or reward/recognize employees. They may not be used for entertainment (e.g., theater tickets, tickets to sports events), and should be for a local area vendor (e.g., restaurant, book store). Tracking and reporting to payroll is required.
- R. Accountability for proper oversight, establishing internal controls, assuring compliance by employees, and maintaining necessary records and documentation of PCard activity are primarily department/division responsibilities.
- S. Departments/Divisions designate a staff member to be the PCard Approver in XiBuy, the PCard reconciliation software. This entails the review of transactions for compliance and documentation, then releasing for payment. XiBuy Approving Managers are designated to perform oversight, monitor usage and compliance, provide leadership and resolve matters that affect the program in their area of responsibility.

- T. A properly approved [XiBuy New/Change Role Request](#) form is to be submitted to the Procurement Card program manager in Purchasing to assign PCard Approvers, Approving Managers, Reporting Managers and delegates. Training is required before access to XiBuy will be granted. The current training schedule and registering process is provided on the PCard web page under [XiBuy Policy & Hands On](#).
- U. Transactions are to be processed within five calendar days of being posted in XiBuy; Departments/Divisions are to establish internal procedures and controls to accomplish this. Cardholders must turn in the required receipts and documentation in sufficient time to allow the reconciliation process to take place.
- V. Auditors will be directed to the PCard Approvers and Approving Managers to review documents for compliance with policies so it is recommended a central location within the department/division be established for retention rather than with individual cardholders. Documents are kept for six years.

USE OF A PCARD FOR PERSONAL PURCHASES, CASH ADVANCES OR CASH REFUNDS IS STRICTLY PROHIBITED.

See Procurement Card Policy, Section IV and V; Authorized Uses; General Restrictions, Other Restricted Uses and General Prohibitions. See pages 4, 5 and 6.

Section XI, Card Misuse, is separated into two categories, personal and administrative. See pages 9 and 10.

- W. Cardholders are required to immediately call the bank when fraud is suspected or a card has been lost or stolen, then immediately follow-up with notification to the PCard program manager. Detailed instructions, including the phone number to call and steps to take, are found on the PCard web page under Tutorial and PCard Information, [Lost/Stolen/Compromised Cards](#).
- X. In the case of fraud/compromised card, keep the card so it can be exchanged for the replacement. Replacement cards are to go directly to the PCard program manager for set up and distribution. Cardholders are to cooperate with the bank to sign appropriate paper work (send a copy to the PCard program manager) and return it in a timely fashion to preserve our dispute rights and receipt of the chargeback credits.
- Y. Disputes are to be resolved as soon as possible. If merchants fail to cooperate, the bank must be notified to put identified transactions into dispute status before 60 days have passed from the original transaction date. Contact the PCard program manager for assistance.
- Z. A new application for replacement cards upon expiration date is not required. Replacement cards are automatically issued. Cardholders will be notified via email when ready. Cardholders will be required to bring in the expiring card, employee photo ID and the email notification to the Purchasing Division to be exchanged for the new card and a new agreement will be signed.

- AA. A [PCard Application/Update](#) form is to be completed for transfers and is submitted to the PCard program manager. The cardholder, the releasing department/division and the receiving department/division are responsible for assuring the transfer documentation is completed by the time the position transfer takes place.
 - BB. Card cancellations/deactivations require the cardholder, or supervisor, first send a written (email) request to the Procurement Card program manager. The effective date of separation, cardholder name and **only the last four digits** of the account number are to be included in the written request. Do not send cards to the PCard program manager until email confirmation of deactivation has been received. The card is to be cut in half; one half is to be turned in and the other half destroyed.
 - CC. Supervisors need to immediately send notification to the PCard program manager to cancel cards for employees terminating City employment prior to date of separation (and follow-up to ensure cards have been retrieved and turned in).
 - DD. All questions pertaining to the PCard program should be directed first to the PCard program manager. Contact information is contained on the PCard web page. Routine requests and questions should be sent to pcardadmin@cityoftacoma.org email address to ensure prompt processing. Or call the main Purchasing number, 253-502-8468, and ask to be connected to the PCard manager or back-up manager, in the case of emergencies.
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XIX. INTERLOCAL PURCHASING AGREEMENTS AND PURCHASING COOPERATIVES

A. Interlocal Purchasing Agreements

1. Interlocal purchases are those made using another public entity's purchase contract. These are also known as "piggyback" purchases. (Reference RCW 39.34.030 and TMC 1.06.270)
2. Contact your buyer or senior buyer to see whether:
 - a. an interlocal purchase agreement is in place between the City of Tacoma and another public agency. Pursuant to TMC 1.06.270 the Procurement and Payables Division manager is authorized to enter into interlocal purchase agreements with other agencies and entities.
 - b. another public agency's competitively solicited contract is eligible to be "piggy-backed."
3. Interlocal purchases must be consistent with the standards of competitive solicitation set forth in Tacoma Municipal Code and applicable state law.
4. Public entities (aka public agencies) include cities, counties, ports, the state of Washington and other governmental units.
 - a. State of Washington
 - 1) Office of State Procurement (OSP). The contracts available for piggybacking via the Office of State Procurement, a General Administration department, are commonly referred to as state contracts. Visit their website see a list of available contracts.
 - 2) DIS (Department of Information Services). The City utilizes DIS contracts for technology purchases such as computers and computer-related equipment, through an interlocal with Washington. Visit their website to see a list of available contracts.
 - 3) WSCA (Western States Contracting Alliance). The state of Washington is a member of WSCA, a multi-state cooperative purchasing association. The City utilizes WSCA contracts through an interlocal with Washington. Purchases through WSCA are primary computer related. Visit their website see a list of available contracts.
5. When considering piggybacking on another agency's contract through interlocal cooperative purchasing agreements, note the following:
 - a. An approved interlocal purchase agreement *must* be in place between the two agencies prior to the purchase action.
 - b. The purchase must meet the City's competitive solicitation requirements. If the contract you want to piggyback is the result of a waiver, such as a sole source or emergency purchase, or is a convenience contract or non-competitive negotiated contract that was awarded without a competitive process, it does not meet the City's criteria and cannot be used.
 - c. *All* items/services being purchased must be part of the contract. There may be certain instances where a portion of a purchase may meet cooperative purchasing requirements and another would require a waiver or separate solicitation. These will be reviewed on a

case-by-case basis to determine which course of action best meets the City's requirements and needs.

- d. Purchasing staff will carefully consider whether interlocal purchases best meet the City's needs versus conducting our own competitive solicitation.
- e. The contract must be active; that is, it cannot be expired.
- f. Purchases over \$200,000 require C&A review and City Council or Public Utility Board approval.

B. General Services Administration (GSA – Federal)

GSA allows state and local governments to procure limited supplies and services under specified programs. The authority for cities to purchase from or through the federal government is found in RCW 39.02:

- RCW 39.32.070 states that cities are authorized to purchase equipment, supplies, materials, and other property, without advertising, giving notice, or inviting bids.
- RCW 39.32.080 suspends any charter provisions, ordinances, or policies that require bidding when dealing with the federal government.
- RCW 39.32.090 requires that an ordinance or resolution be passed before any particular purchase is made from the federal government or through a federal government contract. (Reference TMC 1.06.270)

GSA, however, limits purchases by municipalities to the following programs:

1. Disaster Recovery Program (Section 833) – Allows purchase of products and services to prepare for or facilitate recovery from a major disaster as declared by the president of the United States, or to prepare for or facilitate recovery from terrorism, or nuclear, biological, chemical or radiological attack. (40 U.S.C. 502(d))
2. Cooperative Purchasing Program – Under this program, state and local government entities may purchase equipment and related services from contracts awarded under the following two Schedules:
 - Schedule 70 – Allows for purchases of information technology equipment, software and services offered on Schedule 70.
 - Schedule 84 – Total Solutions for law enforcement, security, facility management systems, fire, rescue, special purpose clothing, marine craft, and emergency/disaster response.
3. 1122 Program (Counter-Drug Program) - Law enforcement agencies can purchase weapons and other equipment for counter-drug activities with support from their state 'point of contact.' (FY 1994 National Defense Authorization Act, Section 1122)
4. 1033 Program – Allows law enforcement agencies to acquire surplus military equipment from the U.S. Department of Defense.

5. Public Health Emergencies – Allows for purchase of goods and services when expending federal grant funds in response to public health emergencies declared by the secretary of Health and Human Services pursuant to 40 U.S.C. 247d.

C. Purchasing Cooperatives

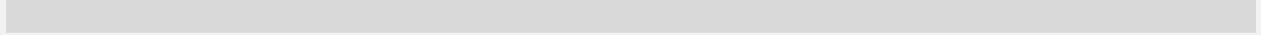
A purchasing cooperative is a type of arrangement often used by government agencies to reduce costs of procurement. Participating agencies agree to aggregate demand to get lower prices from selected suppliers.

1. US Communities is a private organization that has public agencies as members. Strictly speaking, this arrangement does not meet the definition of a “public agency” found in RCW 39.34.020. Some of their contracts may be competitively solicited, however, that does not mean they meet the requirements of applicable state law or Tacoma Municipal Code. Requests to use to US Communities contracts are reviewed on a case-by-case basis and must meet the same requirement as any other interlocal purchase. The City of Tacoma is not a member of US Communities.
2. KCDA (King County Directors' Association).
King County Directors' Association (KCDA) is a non-profit purchasing cooperative owned by Washington's public school districts. KCDA saves money for members by ordering in volume and supporting their purchasing and distribution requirements. The City of Tacoma is an associate member of KCDA, however, use of KCDA contracts is on a case-by-case basis. There is typically a follow-on fee (for example five percent of total cost) charged to the City for use of KCDA contracts. Be sure to consider the additional fees when evaluating whether use of the contract is in the best interest of the City. The fee may be a separate charge (invoice) paid directly to KCDA or it may be incorporated into the quotation price provided by the vendor. Check each individual KCDA contract for specific costs. Also, certain KCDA contracts require that purchases be administered by KCDA, so purchase orders would be issued to KCDA, rather than directly to the vendor. Check the contract for ordering instructions *prior* to preparing a purchase requisition or C&A letter.

D. Interagency Agreements

1. An interagency agreement is a contract between a City department/division and either another City department/division or some other federal, state, or local public agency, and typically involves provision of services by or to the department/division. Provision of supplies may be involved, but should be incidental to the services component of the contract. Payment is typically not made to a private vendor. Examples include paving or other improvement of a public access road on City property by another agency conducting paving work in the area, management of City owned waterways, forest lands, and other natural resources by a state or federal agency, etc.
2. Contracting activity is between two or more agencies and therefore not subject to Chapter 39.34, RCW. To avoid unintended consequences, interagency agreements should not cite to or reference the interlocal agreement statute.
3. A waiver of competitive solicitation is not required to participate in an interagency agreement. Internal department/division authorization procedures must be followed.

4. There is no particular contract form required for an interagency agreement. Thus, use of the other public agency's form is acceptable. Contact the Legal Department regarding available contract form options appropriate for your transaction.



XX. CITYWIDE CONTRACTS

- A. Purpose and Overview.** A citywide contract may be used to purchase common and regularly used items such as office supplies, industrial supplies and equipment, office furniture, and other goods routinely needed by departments/divisions throughout the City. Certain as-needed services such as asphalt patching and asbestos and lead paint abatement may also be purchased using a citywide contract.

Citywide contracts are initiated, solicited and administered by Purchasing staff for utilization by General Government departments and Tacoma Public Utilities divisions. Purchasing administers citywide contracts with regard to extensions, renewals, increases and vendor performance issues; however, departments/divisions are responsible for managing the scope of work for their particular purchases. Citywide contracts are listed on the Purchasing intranet site.

Citywide contracts are beneficial because vendors typically offer discounted pricing for larger purchase volumes, resulting in cost savings to the City.

Citywide contracts totaling over \$200,000 require approval of both the City Council and Public Utility Board per TMC 10.06.268 C. 1. Citywide contracts of \$200,000 or less are approved by the Procurement and Payables Division manager.

B. To initiate a purchase against a citywide contract using the purchase requisition/purchase order process:

1. By Purchase Order:

- a. Create a purchase requisition referencing the SAP contract number for the associated citywide contract. Details from the SAP contract populate the requisition. Be sure to verify pricing before saving the PR.
- b. Purchasing, or the department/division if authorized, creates the purchase order and sends to the vendor.
- c. Complete a goods receipt – either MIGO or SES – when the supplies received or services rendered.
- d. The purchase posts to a department/division's budget as an expenditure.

2. By Procurement Card:

- a. Some citywide contracts may have provisions for purchase and/or payment using a specific City procurement card. Procedures for their use vary by contract. Refer to the specific contract in the citywide contracts list on the Purchasing intranet site for further details.

C. Joint Participation (of City Departments/Divisions) Contracts

The joint participation contract process may be used whenever General Government departments and/or TPU divisions jointly undertake a public works and improvements project. Although each department and division is responsible for funding their respective share of the

project, only one contract is solicited and awarded. If the total contract price exceeds \$200,000, approval by the governing body of the originating department/division, only, is required. An example of the joint participation contract process would be a Public Works Department roadway replacement project at a location where the Water Division needs to replace a water main. As the originating department, the Public Works Department would bid the project as a whole, incorporating the water main replacement work in the bid and contract documents, and seek approval of a single contract. If the contract price exceeded \$200,000, approval of the contract would be made by the City Council as the governing body of the originating department. In this example, further or separate approval of the contract by the Public Utility Board would not be required. However, a separate resolution to the Public Utility Board informing the Board of the Water Division's participation in the joint project may be appropriate if the Water Division's share of the project costs exceeds \$200,000 and/or the project involves significant public interest."

NOTE: Contract approval by the governing body of the non-originating department/division is not mandatory based on the presumption that such department/division has sufficient available funds for participation in the joint project pursuant to a budget previously approved by its governing body.

XXI. WAIVER OF COMPETITIVE SOLICITATION REQUIREMENTS

Sole Source, Not Practicable to Bid, Emergencies, Direct Negotiation and Solicitation

A. Purpose and Overview. Competitive solicitation for all purchases of supplies, services, and public works and improvements is presumed to be in the best interests of the City. However, the Purchasing Code recognizes that in certain limited circumstances the competitive solicitation process may be waived if accomplished in accordance with the standards and procedures set forth in this Manual.

1. A waiver of competitive solicitation may be available if:
 - a. supplies or services are available from only a single source (TMC 1.06.257 A.);
 - b. it is not practicable to conduct the competitive solicitation process (TMC 1.06.257 B.);
 - c. an emergency situation exists (TMC 1.06.257C.);
 - d. direct solicitation or negotiation of professional or personal services has been expressly authorized by the City Manager or Director of Utilities (TMC 1.06.256 B.);
 - e. a negotiated disposition of surplus property has been expressly authorized by the City Council or Public Utility Board (TMC 1.06.273 A.); and/or
 - f. surplus personal property of the City has no or minimal commercial value (TMC 1.06.278);
 - g. the City is exercising the supplemental authority to waive competitive solicitation set forth in RCW 39.04.280.
2. Requests for waiver of competitive solicitation require the following approvals:
 - a. Waiver requests for contracts of \$200,000 or less require concurrence of the department or division head and review and approval of the Procurement and Payables manager.
 - b. Waiver requests for contracts exceeding \$200,000 require concurrence of the City Manager or Director of Utilities (or their respective designees), review by the Procurement and Payables manager, and (except for emergency waivers) concurrence and recommendation of the Contracts and Awards (C&A) Board, followed by City Council or Public Utility Board approval by motion or resolution.
3. Waiver requests are made as follows:
 - a. For *sole source, not practicable to bid*, and *emergency* waivers, use the waiver request templates and samples found on the Purchasing intranet site.
 - b. *Direct negotiation and solicitation* waiver requests for professional/personal services contracts require a determination by the City Manager for General Government contracts, or the Director Utilities for TPU contracts, that such waiver is in the best interests of the City.

- 1) A Direct Negotiation of Professional Services and Personal Services Authorization Memo template must be used to memorialize that determination. That template and further instructions are found on the Purchasing intranet site.
 - 2) Use of the authorization memo is mandatory for direct solicitation or negotiation waivers involving all professional and personal services contracts over \$25,000. Use of such memo is optional for such contracts totaling \$25,000 or less.
- c. Waiver requests over \$200,000 require a C&A letter in addition to the specific waiver request form.

B. Sole Source (Reference TMC 1.06.257)

1. Overview. A sole source is a unique exception to the City's purchasing policies. A sole source situation is when it is only feasible to obtain a good or service from one supplier or service provider. Sole source conditions include such things as: (a) products, systems, information, or services that are subject to patent or other proprietary use rights; (b) supplies or services that only one vendor is capable of providing or authorized to provide; (c) items that are available from a single source and such items are required in order to function with existing equipment, systems, programs, or services; (d) situations where the sole source is the only practical way to meet the City's requirements or delivery deadlines; and/or (e) security requirements or information mandates that limit procurement from only a single vendor.
 - a. Unless a specific sole source condition exists, the department/division and project manager shall follow standard competitive solicitation process.
 - b. If there is any doubt, the department/division should pursue a competitive solicitation.
 - c. Specifications must be expansive as possible to ensure the greatest pool of bidders to compete. There must be a clear and appropriate reason for specifications that narrow the field to a sole source.
 - d. A late start to the project does not justify a sole source.
 - e. Prior contracts with a vendor for work on a project is not necessarily an appropriate reason for a sole source waiver. The department/division making such a waiver request must document sufficient information that objectively establishes there is only a single source or that a patented or proprietary use right restriction exists. If you have used expansive specifications and find significant data that indicate a sole source, complete a sole source justification memo, and submit to your senior buyer.
 - f. Sole source waiver authorizations for supplies and services purchased over time are limited to a three-year term unless expressly authorized by the Procurement and Payables Division manager, City Council or Public Utility Board action, as appropriate.
2. Examples of Products or Services that Might Qualify as a Sole Source
 - a. Compatibility to a City standard or existing environment. The vendor is the only manufacturer or supplier compatible with your existing equipment, inventory, systems,

data, programs or services, or with a City standard that has been established in writing or by practice. This includes, but is not limited to:

- 1) Products that are integral repair parts or accessories compatible with existing equipment;
 - 2) Products that, although not integral repair parts or accessories, must be compatible with existing equipment, systems, data or a substantial parts or data inventory;
 - 3) Products that match existing equipment, where the new product must be identical to an existing product to ensure consistent results;
 - 4) Services or goods where the City has set a standard, either in writing or by practice, given business or operational needs. This includes standards established to minimize costs such as parts inventory training and maintenance.
- b. Licensed or Patented Applications. The vendor is the sole provider of a licensed or patented application required by the City and has unique design or performance features providing superior utility not obtainable from similar products. Supplies and services may also be sole source if there are limited rights in data, patent rights, copyrights, or similar circumstances.
- c. Authorized Service Provider, Repair and Warranty Services. The City requires service or repair support for products or equipment owned by the City, and the vendor is either a factory authorized warranty service provider or else that particular vendor is required for warranty services according to the conditions of a current City contract.
- d. Unique Design. The City has a specialized need and the vendor is the sole provider of goods or services meeting that specialized need or performing the intended function. This includes products with special features essential for the completion of a task or project, or with physical or artistic design characteristics that satisfy aesthetic requirements.
- e. Special Bargain. This might include a surplus item, an auction sale, used equipment, returned "open box" purchase, or other similar one-time bargains.
- f. Delivery Date. Only one vendor can meet the necessary delivery requirements when delivery by a specific date is essential. A delivery delay would cause an extreme increase in cost or detriment to the City. This should be reserved for dates that are the result of an unanticipated situation, and not a circumstance that could have been reasonably anticipated or averted by better planning.
- g. Project or Research Continuity. Product, systems, services or data must comply with an ongoing project, research, data, testing or analysis without a compromise in the integrity of the project. Also, the situation cannot be replicated by another company because there is a legal or physical obstruction to disclosing the project information to allow another company the opportunity to replicate. Examples include situations where a company has legal and proprietary rights to customization such as software code, or to data; or testing or data is collected through a unique measuring instrument that cannot be accurately duplicated and offered by another vendor.
- 1) The product, system or services are used within ongoing experiments or testing and use of an alternative cannot be replicated or would cast doubt on research, data, or testing results.

- 2) Other investigators have used a specific product in similar research or testing, and it is essential to continue the same provider, product, service, data or system for purposes of comparable results.
 - 3) The product is to be used in an instructional setting with the intent provide to instruction on the specific product or diversity of products.
 - 4) The data or analysis is offered by subscription subject to copyright or other proprietary work product protection.
- h. Requirement by funding source. A product or service specifically and clearly required by a lender, grantor (such as the federal government) or other fund source where the usage of those funds is specifically, explicitly, and clearly restricted by the lender or grantor.
 - i. Legal monopoly. Circumstances may dictate that only one supplier can furnish a service, such as utility services, electricity, water or sewage from natural or regulated monopolies.
 - j. Trial and Evaluation projects. A limited duration, limited scope pilot, trial or evaluation of a product, range of products or services. A trial or evaluation project would typically be part of establishing a standard for a department/division, or to pilot a particular product or services for a City need.

In addition to these circumstances, the department/division will also need to ensure that no other company can provide the specified products or services.

3. Procedure to Obtain Sole Source Waiver. If a qualifying sole source situation exists, the department/division must prepare a Waiver of Competitive Solicitation Request – Sole Source memo (aka sole source justification memo) and submit it to the Procurement and Payables Division manager.
 - a. Sole source waiver requests for purchases between \$5,001 and \$200,000 require the approval of the Procurement and Payables Division manager.
 - b. Sole source waiver requests for purchases over \$200,000 require, in addition to concurrence of the City Manager or Director of Utilities (or their respective designees) and review by the Procurement and Payables Division manager, the department/division to also prepare and attach a [Waiver of Competitive Solicitation](#) letter addressed to the Contracts and Awards Board. The Procurement and Payables Division manager and the Contracts and Awards Board will review the waiver request and either recommend approval or denial. If recommended for approval by the C&A Board, the contract award recommendation of the department/division will be presented to the City Council or Public Utility Board for final approval per TMC 1.06.268 B. Such contract award approval shall constitute approval of a waiver of competitive solicitation.
 - 1) Waiver of competitive solicitation request forms and sample C&A Board letter templates are available on the Purchasing intranet site. Further assistance in preparing these forms is available from the buyer or senior buyer.
4. Sole Source Waiver Increases. Sole source purchases may not be increased without obtaining further authorization of the Procurement and Payables Division manager, City Council or Public Utility Board, as appropriate.

C. Not Practicable to Bid (Reference TMC 1.06.257 B)

1. Overview. “Not Practicable” means, but is not limited to:
 - a. An immediate and important need for proposed construction, installation, repair, materials, supplies, equipment, or services where the delay that would result from following the requirements of the competitive solicitation process would cause financial loss to the City or an interruption of vital services to the public;
 - b. Purchases involving special facilities or market conditions; or
 - c. Purchases involving specially tailored or performance criteria-based products such as computer systems or equipment.
 - d. Vendor selection is not controlled by the City, e.g., where a property association, of which the City is a member, has selected a specific contractor to perform a service.
2. An example of not practicable to bid would be where another public agency has surplus equipment available at better than market value. Another example involves contracts for in-kind exchange of advertising, marketing and/or promotional services with a particular organization and such services are unique to that organization (e.g., the Museum of Glass, Taste of Tacoma, etc.).
3. Procedures to obtain a Not Practicable to Bid Waiver. If a qualifying not practicable to bid situation exists, the department/division must prepare a Waiver of Competitive Solicitation Request – Not Practicable to Bid memo and submit it to the Procurement and Payables Division manager.
 - a. Not practicable to bid waiver requests for purchases between \$5,001 and \$200,000 require the approval of the Procurement and Payables Division manager.
 - b. Not practicable to bid waiver requests for purchases over \$200,000 require, in addition to approval by the Procurement and Payables Division manager, the department/division to also prepare and attach a [Waiver of Competitive Solicitation](#) letter addressed to the Contracts and Awards Board. The Procurement and Payables Division manager and the Contracts and Awards Board will review the waiver request and either recommend approval or denial. If recommended for approval by the C&A Board, the contract award recommendation of the department/division will be presented to the City Council or Public Utility Board for final approval per TMC1.06.268 B. Such contract award approval shall constitute approval of a waiver of competitive solicitation.
 - 1) Waiver of competitive solicitation request forms and sample C&A Board letter templates are available on the Purchasing intranet site. Further assistance in preparing these forms is available from the buyer or senior buyer.
4. Not Practicable to Bid Increases. Not Practicable to Bid purchases may not be increased without obtaining further authorization of the Procurement and Payables Division manager, City Council or Public Utility Board, as appropriate.

D. Emergency Purchases (Reference TMC 1.06.257)

1. Overview. An emergency purchase is defined as a situation that is a threat to public safety, health or welfare, or that requires immediate acquisition or repair to preserve or prevent damage or loss to public property, City operations and business, machinery or equipment. An emergency includes a City disaster declared by the mayor, or an individual department/division may declare a department/division emergency according to written departmental/division procedures.

Emergency waivers over \$200,000 require approval by the City Manager or Director of Utilities, and must be reviewed by the Procurement and Payables manager. However, emergency waivers do not require C&A Board recommendation or Council/Utility Board approval. Per the instructions below, submit waiver requests using the templates on the Purchasing intranet site to your assigned buyer or senior buyer.

2. Procedures. When a department/division believes an emergency situation exists that requires immediate acquisition of goods and services, the following process must be followed:
 - a. Obtain concurrence of the department/division head or designee that a qualifying emergency requiring immediate acquisition of goods or services exists. Departments/Divisions should have internal procedures for emergency purchase situations and those procedures must be followed.
 - 1) Before moving forward with an emergency purchase, check the citywide contract list to see if one is available that provides the needed supply or service.
 - b. Promptly notify Purchasing of emergency situations by submitting a Competitive Solicitation Request – Emergency Declaration memo to the Procurement and Payables Division manager as soon as an emergency is known.
 - 1) If emergencies occur after normal work hours, the emergency declaration memo shall be submitted to Purchasing the next business day or as soon as practical.
 - 2) State law requires that 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 governing body or its designee and duly entered of record no later than two weeks following the award of the contract. (Reference [RCW 39.04.280 \(2\)\(b\)](#))
 - c. Emergency declaration waiver requests for purchases between \$5,001 and \$200,000 require the approval of the Procurement and Payables Division manager.
 - d. Emergency declaration waiver requests for purchases estimated to be over \$200,000, require the approval of the City Manager or Director of Utilities, as well as review by the Procurement and Payables manager.
 - e. Public works and improvements emergencies (e.g., broken water main, washed out road or bridge, etc.) require contract, performance bond, prevailing wages, and insurance. Local, state and federal laws do not exempt these requirements during an emergency.
 - 1) Department/Division informs the contractor of insurance requirements and provides a copy of applicable prevailing wage rates.

- 2) Department/Division obtains a signed Intent to Pay Prevailing Wages form from the contractor as soon as practical. If it is not possible to do so during the emergency or disaster (for example, City or state computer systems are not available), inform the contractor that prevailing wage rates apply and the paperwork will be required as soon as possible, and before payment is made.
 - 3) The buyer or senior buyer drafts and sends the contract, performance bond and insurance requirements to the contractor. Work may begin without the required documents but the executed contract must be obtained, along with an executed performance bond, and insurance documentation, as soon as possible, and before payment is made.
- f. Upon project completion, submit a Summary Report – Final Cost and Outcome (page 2 of the Waiver of Competitive Solicitation Request - Emergency Declaration), to Purchasing.

E. Direct Solicitation and Negotiation of Professional Services and Personal Services

1. Overview. TMC 1.06.256 establishes requirements for competitive solicitation of all services. Wherever possible, services should be procured as a result of a Request for Bids, Request for Proposals or Request for Qualifications, or other authorized competitive solicitation method as appropriate. In the case of professional services and personal services, excluding architectural and engineering services, TMC 1.06.256 B. recognizes that in specific circumstances it may be in the best interest of the City to select a vendor outside of the normal competitive selection process. The City Manager, on behalf of General Government, or the Director of Utilities, on behalf of the Department of Public Utilities, may authorize direct solicitation and negotiation of contracts for professional services and personal services.

By separate memorandum, the City Manager has delegated his authority to waive competitive solicitation and authorize direct solicitation and negotiation of contracts for professional services and personal services with a proposed aggregate total of \$25,000 or less to the department director level. Similarly, the Director of Utilities has delegated his authority to waive competitive solicitation and authorize direct solicitation and negotiation of contracts for professional services and personal services with a proposed aggregate total of \$25,000 or less to the TPU division superintendent level.

2. Procedure.
 - a. Approval of direct solicitation and negotiation is independent of, and in addition to, contract signature authority. Authorization for direct solicitation and negotiation should be obtained prior to negotiation and drafting of a contract outside of the competitive process. Contract signature authority is governed by TMC 1.06.268.
 - 1) The proposed aggregate total includes the estimated amount of the contracted services for the initial contract term and any specified or reasonably anticipated (a) extension or renewal period(s), and/or (b) additional services requirements.
 - 2) Splitting of requirements to remain under the \$25,000 threshold is prohibited.
 - b. Direct solicitation and negotiation of contracts for professional services and personal services with a proposed aggregate total over \$25,000.

- 1) Departments/Divisions are encouraged to conduct competitive solicitations whenever possible, in order to avoid the appearance of favoritism in the award of repetitive contracts to the same service provider, and maintain an open and fair contracting environment.
 - 2) The City Manager or Director of Utilities, or their respective designee in their absence, must approve direct solicitation and negotiation waivers for professional service and personal service contracts with a proposed aggregate total over \$25,000. This is done via an [Authorization of Direct Negotiation of Professional and Personal Services form](#).
 - 3) The proposed aggregate total includes the estimated amount of the contracted services for the initial period and any specified or reasonably anticipated (a) extension or renewal period(s), and/or (b) additional services requirements.
 - 4) If expressly stated in the Authorization Memo at the time it is issued, initial approval of direct solicitation and negotiation of a contract shall constitute a waiver of further competitive solicitation of amendments to the subject contract. Thus, an additional Authorization Memo will not be required for such amendment(s); provided, that any such amendment(s) must be signed by the City Manager or Director of Utilities.
- c. Direct solicitation and negotiation of contracts for professional services and personal services with a proposed aggregate total of \$25,000 or less do not require an Authorization of Direct Negotiation of Professional and Personal Services form. However, such contracts may not be increased above \$25,000 without obtaining an Authorization Memo signed by the City Manager or Director of Utilities.
- 1) Departments/Divisions are encouraged to conduct competitive solicitations whenever possible in order to avoid the appearance of favoritism in the award of repetitive contracts to the same service provider and to maintain an open and fair contracting environment.
 - 2) Direct solicitation and negotiation waivers for professional service and personal service contracts with a proposed aggregate total of \$25,000 or less require the approval of a department director for General Government or a division superintendent for TPU, or their respective designees.
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XXII. CONTRACTOR PERFORMANCE AND DISQUALIFICATION

PERFORMANCE – Future item.

DISQUALIFICATION – Future item.

DEBARMENT (Reference TMC 1.06.279)

Suppliers conducting business with the city are expected to meet their commitments. Issues such as late delivery, poor quality materials or workmanship, inadequate paperwork such as packing slips and invoice are not acceptable. If a supplier does not improve performance, the city has a right to cancel the contract and use another supplier.

Departments/Divisions must first attempt to have a candid discussion with the contractor to resolve the issue(s). Methods to improve supplier performance include but are not limited to:

- Departments/Divisions establish methods and criteria to monitor supplier performance
- Meeting with key suppliers on a quarterly basis to discuss performance.
- Build in financial penalties for suppliers not meeting cost and delivery requirements.
- Request feedback from suppliers on issues they may have providing goods and services to the department/division.

If the issue is not resolved, the situation will be escalated to the Procurement and Payables Division manager who will then decide if there is a need to change suppliers.

XXIII. CONTRACT ADMINISTRATION

Purchasing staff administer citywide contracts with regard to extensions, renewals, price increases, and vendor performance issues

Departments/Divisions are responsible for the administration of contracts initiated by them and specific to their operations. Such contract administration includes the timely management of term extensions, term renewals, contract price increases, and the scope of work for the subject contract.

A. Contract Amendments (Signed Contracts)

Amendments to City contracts are governed by TMC 1.06.269 and the approval process differs depending on whether the contract has been previously approved by the City Council or Public Utility Board and whether the total contract price exceeds \$200,000 in the aggregate. Contract amendments must be in writing and signed by all parties before the contract to be amended has expired or terminated.

- * Necessity of amending contract before it expires. The contract administrator is required to know the expiration date of the contract and exercise due diligence to have amendments prepared and fully signed before the contract expires. Once a contract has expired, a department/division should not order supplies or services, nor accept continued performance, under that expired contract. In the event a contract has expired, a new contract will need to be prepared and signed regardless of whether there are unexpended funds remaining for the expired contract and/or the scope of work is the same as under the expired contract. Failure to comply shall result in the violator being identified in service level agreement exception reports.

1. Contracts that have been initially authorized by the City Council or Public Utility Board:

- a. **Contract Price Increases.** In the absence of a Council or Board Resolution or Motion expressly granting administrative amendment authority, any contract amendment increasing price beyond the pricing specified in the initially approved contract must be presented to and approved by the City Council, for General Government, or the Public Utility Board for TPU. This is true regardless of the amount of the price increase.
 - 1) When the initial Council or Board Resolution or Motion granted administrative amendment authority, the City Manager or Director of Utilities, or their respective designee, may approve contract price increases up to the amount specified in the Resolution or Motion without further Council or Board action.
- b. **Contract Term Renewals and Extensions.** If the contract initially approved by the City Council or Public Utility Board contains specific term renewal or extension provisions, those provisions may be exercised without further Council or Board action unless otherwise directed in the Council or Board Resolution or Motion initially approving the contract.
 - 1) Amendments to renew or extend a contract term beyond the period(s) stated in the contract require further City Council or Public Utility Board approval unless administrative amendment authority to do so was granted in the initial Resolution or

Motion, or a software maintenance and support contract is involved.
(See “3” immediately below)

- 2) In no event may a contract’s term be extended by administrative amendment for more than three years unless a Resolution or Motion specifically granted amendment authority to do so, except renewals of software maintenance and support contracts.
- 3) Renewals of software maintenance and support contracts, and purchases of software license(s) required by such renewals, shall not require further competitive solicitation and the term of such contracts may be longer than three years. However, aggregate contract totals that exceed \$200,000 are subject to City Council or Public Utility Board approval.
 - The forgoing exceptions shall not apply to purchases of new versions of software or significant upgrades of operating systems.

c. Other Contract Amendments. Unless otherwise directed or restricted in a City Council or Public Utility Board Resolution or Motion, the City Manager for general government or the Director of Utilities for TPU, or their respective designee, may approve amendments:

- 1) Modifying the scope of work/services (without a price increase);
- 2) Decreases in contract price; or
- 3) Shortening of term duration.

2. Contracts NOT previously authorized by the City Council or Public Utility Board:

a. Contract amendments are not required to be presented to or approved by the City Council or Public Utility Board unless or until the total price, in the aggregate, exceeds \$200,000. Thus, unless the initial contract price exceeded \$200,000 or until such price is amended to an aggregate total of \$200,000, the City Manager for general government or the Director of Utilities for TPU, or their respective designee, may authorize without Council or Board action any amendment for the following contract changes:

- 1) An increase in the contract amount up to an aggregate contract total of \$200,000 (for contracts of \$200,000 or less) or where governing body has authorized in advance (for contracts greater than \$200,000);
- 2) A decrease in total contract amount;
- 3) An extension in contract duration or change in time for performance up to a total of three years, except as allowed for renewals of software maintenance and support contracts; (See subsection. A. 1. b. 3) above)
- 4) Other minor contract amendments on a case-by-case basis.

3. Check to see if a standardized amendment template is available. City Attorney approved amendment templates are posted on the Purchasing intranet site and their use is strongly encouraged.

a. Public Works and Improvements Contract Amendments. When an appropriately executed Change Order or Letter of Instruction causes an increase to the aggregate contract value, submit a completed *Supplement/Change Form* located on the Purchasing webpage. If desired, include a copy of the applicable Change Order/Letter of Instruction. Note that an increase to public works and improvements contracts may require a bond rider be executed with the surety to increase the value of the contract performance bond. Contact your senior buyer for further assistance.

b. Professional Services Contract Amendments. Choose from among the standard amendment templates located on the Purchasing intranet site. Choice depends upon whether contract was previously submitted to the City Council or Public Utility Board and upon the type of amendment involved (e.g., contract price change, term extension, etc.).

- 1) The department/division should prepare the first draft of the amendment and send it along with the relevant background information listed under B. 1. below to the Legal Department for further review and consultation before providing the proposed amendment to the contractor for signature. This step is not mandated, but may save time and the need to revise and re-routing for signatures if form or content is determined to be legally insufficient.
- 2) Send fully signed contract amendment to Purchasing. Supplement/Change form is not required.

B. Review and Approval by Finance and Legal Department. All contract amendments, whether they create a financial obligation or generate revenue for the City must be approved by the Director of Finance, or his/her designee. All contract amendments must further be approved by an attorney with the City Attorney's office.

1. Provide relevant background information to the Legal Department prior to the contract amendment being finalized:
 - a. Original contract and any previous amendments,
 - b. Applicable resolution numbers if the contract was previously approved by the City Council and/or Public Utility Board,
 - c. Specification (Request for Bids, Request for Proposals, or Request for Qualifications) and the responsive submittal, or
 - d. If competitive solicitation was waived, background regarding the waiver type and selection process.
2. Amendments presented to City Council or Public Utility Board. Obtain the Legal Department's review and approval of a proposed contract amendment and the contractor's signature prior to placing the amendment on the City Council or Public Utility Board meeting agenda.
3. Change orders, letters of instruction and similar instruments that modify the scope of work of a contract, or make other minor amendments not affecting the total contract value, may be approved as specified in the contract. For example, a change order for a public works and improvements contract does not require further City Council, Public Utility Board, or Legal Department approval if the contract contains provisions authorizing change order approval by a department/division head and that contract with such provisions was initially reviewed and fully approved as required by the Purchasing Code. Consult your department/division policy, which may include additional independent review and approval requirements for change orders and similar public works and improvements contract modifications.

C. SAP Contract and Purchase Order Supplement Process

When a department/division determines a contract amendment is necessary or desired, it will notify Purchasing of that need and complete the following steps prior to Purchasing changing and releasing an SAP contract or purchase order:

1. Where a separate legal amendment has not been executed departments/divisions needing a contract/purchase order increased are to fill out and submit a completed *Supplement/Change Form* located on the Purchasing webpage. This form is typically used for amendments to supply contracts.
2. When purchases are based on a signed contract, submit a copy of the fully executed contract amendment to your buyer/senior buyer. Be sure to note the associated SAP contract on the amendment copy. This method is typically used for amendments to professional and personal services contracts.

D. Contract Assignments (Assignment of Agreement). Once a contract has been awarded to a contractor, all rights and obligations under the contract apply to that contractor unless or until those rights and obligations are assigned to a different party. The legal nature of the assignment may determine additional rights and liabilities that accompany the act. A contract assignment can include property rights, partnership rights, and intellectual property rights. A common example of when a contract assignment will be sought is when the original contractor's business is acquired by or merged with another business entity. A change in the business name of the contractor may or may not require an assignment of the City's contract with that contractor. If the tax registration number (UBI) of the contractor will change, a contract assignment will typically be required.

1. Requirement of written Assignment Agreement. No assignment of a City contract will be recognized by the City unless evidenced by a written assignment document signed by the contractor (**assignor**), the party to whom the contract is being assigned (**assignee**), and the City confirming its consent to the assignment.
 - a. A standardized Assignment of Agreement form is available from Purchasing and should be used unless otherwise warranted following consultation with the Legal Department.
 - 1) Assignment of City contracts requires City's consent. City contracts typically include clauses that restrict assignment of a contractor's rights under a contract without prior notice to and consent by the City. This is because the City selected the contractor for contract award based on that contractor's particular attributes and/or personnel and typically following competitive solicitation that determined that contractor was best suited to perform under the contract.

A. Policy Statement

City employees will endeavor to, when feasible and practicable, procure products or services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.

B. Purpose

The City of Tacoma [the City] recognizes its responsibility to minimize negative impacts on human health and the environment while supporting a diverse, equitable, and vibrant community and economy. The City recognizes that the types of products and services the City buys have inherent social, human health, environmental and economic impacts, and that the City should make procurement decisions that embody its commitment to sustainability.

This Sustainable Procurement Policy is intended to:

1. encourage the purchase and use of products and services that best align with the City's fiscal, environmental, social, community and performance goals;
2. identify those sustainability factors for consideration in procurement decisions;
3. provide implementation guidance;
4. empower employees to be innovative and demonstrate leadership in procurement decisions;
5. Seek opportunities for sustainable procurement;
6. communicate the City's commitment to sustainable procurement;
7. emphasize the purchase of fewer products without reducing safety or workplace quality.

It is not the intent of this Policy to require a department, buyer or contractor to take any action that conflicts with local, state or federal requirements or to procure products that do not perform to department specifications, exclude competition, or are not available at a reasonable price or lead time. Performance is the ability of the product or service to accomplish or contribute to accomplishment of a job or task.

C. Background

Members of the City Council approved Resolution 36835 on April 18, 2006, that affirmed the City's efforts to reduce greenhouse gases and curb global warming in accordance with the Kyoto Protocols. On October 21, 2008, Resolution 37631 created an Office of Sustainability and established the Sustainable Tacoma Commission on Climate Change. In accordance with the City of Tacoma 2008 Climate Action Plan, implementation of an environmentally responsible purchasing policy was sought. On April 19, 2011, the City Council approved Resolution 38248 committing the City to adopt and implement sustainable procurement policies.

D. Sustainability Factors

City employees should consider the following factors when writing specifications for, or procuring products or services. These factors should include the life cycle impacts of the purchased items.

1. Environmental factors to be considered include:
 - a. Pollutant releases, especially persistent bioaccumulative toxins (PBTs);

- b. Toxicity of products used;
 - c. Waste generation;
 - d. Greenhouse gas emissions, including transportation of products;
 - e. Recycled content;
 - f. Energy consumption;
 - g. Depletion of natural resources; and
 - h. Potential impact on human health and the environment.
2. Social equity factors to be considered include, but are not limited to:
 - a. Use of City of Tacoma certified historically underutilized businesses; and
 - b. Ergonomic and human health impacts.
3. Fiscal factors to be considered include but are not limited to:
 - a. Lowest total lifecycle cost;
 - b. The ability to leverage our buying power; including use of existing contracts; and
 - c. Impact on staff time and labor.

E. Implementation and Responsibilities

The City Manager and Director of Utilities or their designee shall be responsible for the implementation of this Policy.

F. Product and Service Standards

1. Department directors/division managers shall be responsible for:
 - a. ensuring employees assess the actual need for a given purchase and, when feasible and practicable, reuse materials and reduce consumption.
 - b. ensuring department staff consider product and service standards and best practices that comply with this Policy once developed, and when feasible and practicable. Examples include, but are not limited to, standards for minimum recycled content, energy efficiency, and prohibited toxic ingredients.
 - c. Supporting department staff participation and collaboration with Procurement and Payables Division to identify best practices and city standards, when feasible and practicable.
 - d. ensuring internal policies and procedures reference this Policy and incorporate the use of sustainable products and services that meet the intent of this Policy.
2. The Procurement and Payables Division manager shall be responsible for:
 - a. Working with departments to identify and develop standards and best practices in sustainable procurement.

G. Specifications and Contracts

1. Department directors/division managers shall be responsible for:
 - a. ensuring that specifications written by their department comply with this Policy and incorporate sustainable procurement best practices when feasible and practicable.
2. The Procurement and Payables Division manager shall be responsible for:

- a. ensuring the purchasing policy manual references this Policy and incorporate best practices for specifying products and services that meet the intent of this Policy;
- b. ensuring that evaluation criteria for determining the responsibility of prospective contractors incorporate, when feasible and practicable, sustainability factors that meet the intent of this Policy; and
- c. developing and integrating sustainable procurement boilerplate language into solicitation document templates.

H. Education

1. Department directors/division managers shall be responsible for:
 - a. building awareness of this Policy through incorporation into routine employee trainings;
 - b. encouraging employee attendance at internal and external trainings related to sustainability; and
 - c. encouraging the use of environmentally preferable/sustainable products and services by development of internal procedures, pilot testing and leading by example.
2. The Procurement and Payables Division manager shall be responsible for:
 - a. developing employee sustainable procurement resources such as, but not limited to, standards, specifications, tools, and best practices;
 - b. developing buyer-specific training on sustainable procurement best practices that meet the intent of this Policy;
 - c. developing buyer competency in communicating to other City departments about this Policy and opportunities for incorporating sustainable procurement best practices into solicitations and contracts;
 - d. taking the lead in communicating to existing and potential contractors about this Policy and related City requirements; and
 - e. maintaining, supporting, and promoting the City's surplus and disposal program.

I. Data Collection and Performance Reporting

1. Department directors/division managers shall be responsible for:
 - a. cooperating in gathering information for the purposes of tracking, reporting, and evaluating the City's sustainable procurement activities; and
2. The Procurement and Payables Division manager shall be responsible for:
 - a. encouraging vendors to provide and collecting available data for the purpose of tracking and reporting on the City's sustainable procurement activities and evaluating the effectiveness of this Policy.
3. The Office of Sustainability shall be responsible for:
 - a. incorporating a progress report on sustainable procurement activities and the effectiveness of this Policy into the Office's annual or biennial report.

J. Resources

As budget allows, the City shall commit to providing the appropriate dedicated staff levels and related funding to support the implementation and coordination of this Policy. This includes

activities such as, but not limited to, employee training and resources, professional services, product/service pilot tests and educational materials.

K. Policy Review

The Office of Sustainability shall be responsible for periodically bringing together internal stakeholders to review this Policy for updates or to otherwise determine whether this Policy is in alignment with other City sustainability efforts and policies. The policy review shall be completed at least every five years, but may be done on a more frequent basis as needed.

APPENDIX A: GLOSSARY

Practicable: Satisfactory performance and availability at a fair and reasonable price.

Life Cycle Impacts: A product's environmental and economic effects throughout its lifetime including new material extraction, transportation, manufacturing, use, and disposal. Life Cycle Analysis considers life cycle impacts.

Total Life Cycle Cost: The comprehensive accounting of the total cost of ownership, including initial costs, energy and operational costs, longevity and efficacy of services, and disposal costs.

Persistent, Bioaccumulative, and Toxic (PBT) Chemicals: Chemicals that are toxic, persist in the environment, and bioaccumulate in food chains.

Sustainable Procurement: Purchasing products and services in a manner that integrates fiscal responsibility, social equity, and community and environmental stewardship.

**CITY OF TACOMA
HISTORICALLY UNDER-UTILIZED BUSINESSES REGULATIONS
FOR THE PURCHASE OF SUPPLIES AND SERVICES**

Table of Contents

	Page
I. STATEMENT OF POLICY	125
A. Purpose.....	125
B. Lowest and Best Responsible Bidder	125
C. Scope of Regulations.....	125
II. DEFINITIONS	125
III. ROLES AND RESPONSIBILITIES	128
A. Compliance with TMC 1.07.....	128
B. Goals and Requirements.....	128
IV. ESTABLISHMENT OF HUB UTILIZATION GOALS	128
A. Annual Goals.....	128
B. Goals shall be Reasonably Achievable.....	128
V. HUB UTILIZATION GOALS.....	128
A. General Accomplishment Of Goals.....	128
B. Desired Outcome and Measures	129
VI. HUB UTILIZATION REQUIREMENTS.....	129
VII. QUALITY ASSURANCE - POST AWARD.....	130
VIII. WAIVERS	130
IX. MONITORING, REPORTING AND ENFORCEMENT	131
X. HUB CLASSIFICATION CRITERIA.....	132
XI. ADMINISTRATIVE PROCEDURES.....	133
XII. REVIEW PROCESS.....	134
 FORMS AND REPORTS	
<input type="checkbox"/> HUB UTILIZATION FORM.....	135
<input type="checkbox"/> INSTRUCTIONS FOR COMPLETING HUB UTILIZATION FORM.....	136
<input type="checkbox"/> PERSONNEL INVENTORY FORM.....	137
<input type="checkbox"/> INSTRUCTIONS FOR COMPLETING PERSONNEL INVENTORY FORM.....	138

I. STATEMENT OF POLICY

A. Purpose

It is the policy of the City of Tacoma that citizens be afforded an opportunity for full participation in our free enterprise system. In order to implement this policy, the City of Tacoma is committed to ensuring equitable participation of Historically Under-Utilized Business (HUB) enterprises by establishing goals. Chapter 1.07 of the Tacoma Municipal Code ("TMC") authorizes the adoption of rules and regulations in conformance with City of Tacoma mandates and, state and federal laws designed to encourage the achievement of the goals for HUB.

B. Lowest and Best Responsible Bidder

It remains the policy of the City of Tacoma to award contracts on the basis of the lowest and best responsible bidder. These regulations and the authorizing ordinance describe the procedures followed by the City in making this determination.

C. Scope of Regulations

- 1. Application - Contracts.** These regulations are adopted pursuant to TMC Chapter 1.07, and shall apply to supplies and service contracts awarded by the City, except as may be specifically exempted by these regulations or Chapter 1.07.
- 2. Application - Persons.** These applications shall apply, as the context may require, to City of Tacoma purchase of supplies and services contracts, and shall affect departments/divisions, commissions, and boards of the City as well as City officials and employees.
- 3. State and Federal Laws.** These regulations interpret and apply the equal opportunity requirements of Executive Order 11246, as amended, and the minority employment and business enterprise provisions of RCW 39.19 and 49.60 for contracts with the City of Tacoma. In the event federal or state funds are used on City projects, and where the federal or state standards are more stringent and mandate that the City adopt such standards, conflicting City requirements shall be preempted.
- 4. Compliance with Evidence Provisions.** In accordance with the requirement to provide evidence of compliance, the bidder must submit one or more of the following forms, completed and signed, as part of the bid:
 - a. HUB Utilization Form (applicable only when goals are clearly specified); and
 - b. Personnel Inventory Form -- CTAA Form 019 (required).

II. DEFINITIONS

Unless the context clearly requires otherwise, the terms used in Sections 1.06.250 through 1.06.280 of this Chapter shall have the following meanings:

- 1. "Alternate Bid"** means a bid for work to be performed or supplies and services supplied under a City contract beyond the scope of a base bid and identified as an "alternate bid" in the specifications.
- 2. "Base Bid"** means a bid for work to be performed or supplies or services to be supplied under a City Contract, including additives, alternates, deductives, excluding force

accounts, and taxes collected separately pursuant to Washington Administrative Code (“WAC”) 458-20-171.

3. **“Bid”** means “an offer submitted by a Respondent to furnish Supplies, Services, and/or Public Works in conformity with the Specifications and any other written terms and conditions included in a City request for such offer.
4. **“Bidder”** means an entity or individual who submits a Bid, Proposal or Quote. See also “Respondent.”
5. **“Broker”** means a Person who provides supplies or materials to the City or a Contractor by procuring said supplies or materials from a supplier and charging a commission for such service.
6. **“City”** means all agencies, Departments, and Divisions of the City of Tacoma.
7. **“Commercially Relevant Work”** means that portion of the Contract that is commonly performed by Contractors engaged in the same or similar business using their organization’s resources.
8. **“Commercially Useful Function”** means the performance of activities related to the contract that are integral and necessary in the discharge of any contractual requirement, and not solely for the purpose of obtaining classification as a HUB or obtaining credit for participation in goal attainment, and that a Person is primarily responsible for the execution of a distinct element of the work of the Contract and carries out its responsibilities by actively performing, managing, and supervising the work involved.
9. **“Contract”** means any type of legally binding agreement regardless of form or title that governs the terms and conditions for procurement of Public Works and Improvements and/or Non-Public Works and Improvements Supplies and Services. Contracts include the terms and conditions found in Specifications, Bidder or Respondent Submittals, and purchase orders issued by the City. A “Contract” as used in this chapter shall include an agreement between the City and a non-profit entity to perform construction related services for Public Works. A “Contract” does not include: (a) awards made by the City with federal/state grant or City general funds monies to a non-profit entity where the City offers assistance, guidance, or supervision on a project or program, and the recipient of the grant awards uses the grant monies to provide services to the community; (b) sales transactions where the City sells its personal or real property; (c) a loan transaction where the City is acting as a debtor or a creditor; (d) lease, franchise; (e) agreements to use City real property (such as licenses, permits and easements) and, (f) banking and other financial or investment services.
10. **“Contractor”** means any Person presents a Submittal to the City, enters into a Contract with the City, and/or performs all or any part of a Contract awarded by the City, for the provision of Public Works, or Non-Public Works and Improvements, Supplies or Services.
11. **“Evaluated Bid”** means a Bid that factors each Respondent’s Base Bid including any alternates, deductives and additives selected by the City that will result in a weighed reduction based on that contractor’s percentage of HUB participation, as defined by formula set forth below in Section V.
12. **“Front”** means a Person, that purports to be a City of Tacoma HUB business, but that is actually owned and/or controlled in a manner that is inconsistent with the requirements of the classification.

13. **“Goals”** means annual level of participation by HUBs in City Contracts as established in TMS Chapter 1.07, these Regulations, or as necessary to comply with applicable federal and state non-discrimination laws and regulations. Goals for individual Contracts may be adjusted as provided for in this chapter and shall not be construed as a minimum for any particular Contract or for any particular geographical area.
14. **“HUB Certified Business”** means a business that meets the criteria set forth in TMC 1.07.050 and has been certified as meeting that criteria by the Finance Department-HUB Program Coordinator.
15. **“Lowest and Best Responsible Bidder”** means the Bidder submitting the lowest Bid received that is within the range of acceptable bids, that also has the ability to timely perform the Contract bid upon considering such factors as financial resources, skills, quality of materials, past work record, and ability to comply with state, federal, and local requirements, including these HUB regulations.
16. **“Non-Public Work or Improvement”** means all competitively solicited procurement of Supplies and/or Services by the City not solicited as Public Works.
17. **“Person”** means individuals, firms, partnerships, associations, corporations, cooperatives (and any other business entity), legal representatives, trustees, or receivers.
18. **“Proposal”** means a written offer to furnish Supplies or Services in response to a Request for Proposals. This term may be further defined in the Purchasing Policy Manual and/or in competitive solicitation issued by the City.
19. **“Public Works and Improvements”** means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the City, or that is by law a lien or charge on any property therein (RCW 39.04.010). This term includes all Supplies, materials, tools, and equipment to be furnished in accordance with the Contract for such work, construction, alteration, repair, or improvement.
20. **“Purchase (or Purchasing)”** means the act of procurement or acquisition of Supplies, Services, Public works or other items.
21. **“Quote”** means a competitively solicited written offer to furnish Supplies or Services by a method of procurement that is less formalized than a Bid or a Proposal. This term may be further defined in the Purchasing Policy Manual.
22. **“Renewal Community/Community Empowerment Zone”** means that portion of those census tracts that are situated within the City of Tacoma and designated by the state of Washington and the federal government as entitled to receive financial assistance from the federal government because of high levels of poverty and unemployment.
23. **“Request for Proposal” (RFP)** means a solicitation method by which purchases of Supplies, Services and in limited circumstances, Public Works, are made competitive negotiation, conformity with Specifications and other written terms and conditions advertised by the City.
24. **“Request for Qualifications (RFQ)”** means a solicitation method most commonly used for the procurement of architectural and engineering services per RCW 39.80. Price is not a factor in the evaluation of qualifications.
25. **“Respondent”** means any entity or Person, other than a City employee, that provides a Submittal in response to a request for Bids, Request for Proposals, Request for Qualifications, request for quotes or other request for information, as such terms are

defined in TMC 1.06.251. This term includes any such entity or Person whether designated as a supplier, seller, vendor, proposer, Bidder, Contractor, consultant, merchant, or service provider that; (a) assumes a contractual responsibility to the City for provision of Supplies, Services, and/or Public Works; (b) is recognized by its industry as a provider of such Supplies, Services, and/or Public works; (c) has facilities similar to those commonly used by Persons engaged in the same or similar business; and/or (d) distributes, delivers, sells, or services a product or performs a Commercially Useful Function.

- 26. “Services”** means non-Public Works and Improvements services and includes professional services, personal services, and purchased services, as such terms are defined in TMC 1.06.251 and/or the City’s Purchasing Policy Manual.

III. ROLES AND RESPONSIBILITIES

- A. The City shall be responsible for obtaining compliance with TMC Chapter 1.07 with respect to contracts entered into by the City and/or its contractors. It shall be the duty of the HUB Program Coordinator to seek compliance with the objectives of said chapter by conference, conciliation, mediation, persuasion, and/or enforcement action.
- B. Under the direction of the Director of Finance or designee the HUB Program Coordinator shall have the responsibility for administering, monitoring and enforcing the goals and requirements identified in these regulations, including but not limited to the formulation and periodic updating of a plan to make HUB businesses aware of contracting opportunities with the City of Tacoma.

IV. ESTABLISHMENT OF HUB UTILIZATION GOALS

- A. Annual HUB utilization goals for supplies and services purchased by the City of Tacoma is 22 percent. This goal shall be reviewed and revised as necessary on an annual basis.
- B. HUB goals Shall Be Reasonably Achievable. The goals shall be based on the number of qualified HUB businesses operating within Pierce County or a county that is adjacent to Pierce County or a HUB Zone where the supplies or services will be delivered or performed. The purpose of establishing HUB goals is to remedy the past effects of under-utilization of these firms and increase their opportunities to participate in City contracts. No HUB utilization goals will be established if no certified HUBs are available to provide supplies and services under such contract.

V. HUB UTILIZATION GOALS

- A. Accomplishment of HUB utilization goals for supplies and services contracts shall be calculated in the following manner:
 - 1. General. The dollar value of contracts awarded by a contract awarding authority to a HUB business in the purchase of supplies and services shall be counted towards the accomplishment of the applicable HUB utilization goals.
 - 2. Subcontracts. If a contractor uses HUB subcontractors, the amount that is awarded to the HUB business shall be credited towards meeting the HUB goal.
 - 3. Brokers, Fronts and Similar Pass-Through Arrangements. HUBs acting as brokers, fronts or similar pass-through arrangements shall not count towards accomplishment of HUB utilization goals, unless the brokering service reflects normal industry practices and the broker performs a commercially useful function.

**HISTORICALLY UNDERUTILIZED BUSINESSES
SUPPLIES AND SERVICES**

B. Desired outcome and measures of the HUB program

Desired Outcome	Annual Performance Measures
Increase contracting opportunities for small local businesses.	Percentage of City contract awards made to HUBs.
Long-term stability/viability of Historically Under-utilized Businesses.	Aggregate dollar value of contracts awarded to certified HUBs.
Increase employment opportunities for minorities and women.	Number of new HUBs certified.
	Number of certified HUBs who meet recertification requirements.
	Rate of HUBs successfully graduating out of the program.

VI. HUB UTILIZATION REQUIREMENTS

In addition to the instructions contained in the City of Tacoma Purchasing Policy Manual, the following instructions are applicable for both sealed and informal submittals:

- A. The HUB Program Coordinator shall design a technical assistance and outreach program to include the following elements:
 - 1. An accessible database of HUB certified firms to include their core supplies and services.
 - 2. Reasonable options for sources of bonding, insurance, and banking assistance for HUB firms;
 - 3. A City-wide program designed to assist departments/divisions in enhancing opportunities for historically under-utilized businesses.
- B. COMPETITIVE SOLICITATION PROCESS
 - 1. Purchasing staff will consult the database and notify applicable HUB firms of competitive solicitation opportunities.
 - 2. Prior to release of solicitations for supplies and services over \$5,000, and \$25,000 or less, City departments/divisions shall use due diligence to determine the availability of HUBs and invite them to participate in the quote process.
 - 3. Architectural and engineering services (A&E). City departments/divisions shall contact at least three businesses from an A&E Roster maintained by the Procurement and Payables Division of Finance or by another City Department/Division, and at least one of those businesses shall be a HUB (if the expertise is available).
- C. BID EVALUATIONS
 - 1. The following methodology applies to evaluation and award of competitive solicitations:

HISTORICALLY UNDERUTILIZED BUSINESSES SUPPLIES AND SERVICES

- a. Submittals from HUB certified firms within five percent of the lowest responsible bid shall be determined as the evaluated low bidder and may be recommended for award.
- b. When a HUB utilization goal has been set for an individual competitive solicitation the submittals will be evaluated in accordance with the formula below:

$$(\text{Base Bid}) - \left[\frac{\text{HUB Usage}}{\text{HUB Goal}} \times (.05 \times \text{Low Base Bid}) \right] = \text{Evaluated Bid}$$

The bidder with the lowest evaluated bid shall be presumed to have met the requirement and may be recommended for award.

NOTE: The ratio of HUB usage to the HUB utilization goal in this formula above shall not exceed 1.

- c. Supplies and/or services contracts, where selection is made based on a request for proposal or request for qualifications. Evaluation criteria for HUB utilization requirements shall be determined and evaluated on a contract by contract basis.

VII. QUALITY ASSURANCE – POST AWARD

- A. Compliance with TMC Chapter 1.07 is a condition of award in contracts signed between the contract awarding authority and the contractor.
 1. Failure to comply with the requirements of said chapter by a contractor will be considered a material breach of contract.
 2. During the term of the contract, the contractor shall comply with the goals established in the contract for the use of HUB businesses.
 - a. Any substitutions for or failure to utilize HUBs projected to be used must be approved in advance by the Finance Department-HUB Program Coordinator. Substitution of one HUB with another shall be allowed when the original HUB fails to comply with the contract agreement, providing the substitution does not increase bid dollar amount.
 - b. In the event of a HUB substitution, where there are no other certified HUBs available, a non-HUB may be allowed, provided, that, the substitution does not increase the dollar amount of the bid.
 - c. It is expected that the contractor actively pursues the use of a HUB replacement firm when a substitution has been authorized.

VIII. WAIVERS

- A. City departments/divisions or the HUB Program Coordinator may waive one or more requirements of this chapter as they apply to a particular contract or contracts.
 1. Waivers may be granted in any of the following circumstances:
 - a. Emergency, as defined by TMC 1.06.257 C: Where supplies or services must be provided with such immediacy that neither the City nor the contractor can comply with the requirements herein as approved by the finance purchasing manager.
 - b. Economic burden or risk: Compliance would impose an unwarranted economic burden or risk on the City as approved by the finance purchasing manager.

HISTORICALLY UNDERUTILIZED BUSINESSES SUPPLIES AND SERVICES

Purchasing Policy Manual
Section XXIV. B.

- c. Sole source, as defined by TMC 1.06.257 A: Supplies or services are available from only one non-HUB source, as approved by the finance purchasing manager.
- d. Cooperative purchasing or interlocal purchase agreements, as defined by TMC 1.06.270: The City is a party to or included in a federal, state or local government purchasing agreement where determined to be in the best interests of the City, as approved by the finance purchasing manager.
- e. Lack of HUBs. Certified HUB firms do not exist for the required supplies and services.

IX. MONITORING, REPORTING AND ENFORCEMENT

- A. The HUB Program Coordinator shall have the responsibility for monitoring implementation of and compliance with these regulations. The HUB Program Coordinator shall have the authority to obtain from City departments/divisions, respondents and/or contractors such relevant records, documents, and other information as is reasonably necessary to determine compliance.
- B. Monitoring of Effects. The HUB Program Coordinator shall establish data reporting requirements by City departments/divisions to the HUB office regarding HUB utilization and monitor effects of the provisions of TMC Chapter 1.07. The HUB Program Coordinator will solicit suggestions and feedback from City departments/divisions to identify problems in meeting the requirements of TMC Chapter 1.07. When further amendments to TMC Chapter 1.07 are necessary, the HUB Program Coordinator shall request the City Attorney's office to prepare an appropriate ordinance for Council's consideration.
- B. The HUB Program Coordinator shall keep complete and detailed records regarding compliance with this chapter. The records shall include the dollar value and subject matter of each contract, along with the name of the firm or other information as the Council and Public Utility Board deem necessary.
- C. Annual Report Required. The HUB Program Coordinator shall submit an annual report detailing performance of the program. This report shall be forwarded to the Director of Finance, the Director of Utilities and the City Manager. The report shall include:
 - 1. Statistics and narrative, where appropriate, demonstrating the utilization of HUB businesses by departments/divisions, contractors, and contract category;
 - 2. Statistics and narrative, where appropriate, demonstrating the number and type of waivers granted;
 - 3. As necessary, explanations of investigative actions taken by the HUB Program Coordinator regarding the implementation, monitoring and enforcement of this chapter;
 - 4. Descriptions of problems in implementation reported by City departments/divisions, including proposed solutions; and
 - 5. Recommendations, as appropriate, regarding amendments to this chapter.
- E. Enforcement. Upon receipt of a complaint, or whenever a compliance review, report, or any other information indicates that a firm, corporation, or person has failed to comply with the provisions of this chapter, the Director of Finance, or his or her designee, shall make a prompt investigation of the circumstances surrounding the apparent failure to

comply. The investigation should include, where appropriate, a review of the pertinent practices, policies, and performance of the party who has allegedly failed to comply; the circumstances under which the possible violation occurred; and other factors essential to making a fair and impartial decision. Based upon the findings and conclusions of the investigator, the Director of Finance, or his or her designee:

1. May dismiss the complaint after it has been established that no violation of this chapter has occurred. In such event, the party that is the subject of the investigation and the complainant, if any, will be advised of the dismissal in writing.
2. Shall, in those instances in which the investigation shows that a party that is the subject of the investigation has violated the provisions of this chapter, so inform the party and attempt to resolve the matter informally. Such informal means of resolution may include holding a compliance conference with the party.
3. Shall, in those instances in which an informal means of resolution is unsuccessful, the Director of Finance is authorized to impose appropriate sanctions up to and including debarment of contractors.

X. HUB CLASSIFICATION CRITERIA

- A. The HUB Program Coordinator shall approve a person as a HUB Certified Business if all of the following criteria are satisfied:
 1. Each person with an ownership interest in the company has a personal net worth of less than \$375,000, excluding one personal residence and the net worth of the business;
 2. The company's total gross receipts for any consecutive three year period within the last six years is not more than \$8,000,000 for public works companies and not more than \$4,000,000 for non-public work or improvement companies;
 3. The owner(s) of the company executes an affidavit and files it with the City's Finance Department, HUB Program Coordinator, which states that all information submitted on the HUB application is accurate, that the business has sought or intends to do business with the City and/or within the Pierce County area and has experienced or expects to experience difficulty competing for such business due to financial limitations that impair its ability to compete against larger firms; and
 4. The company can demonstrate that it also meets at least one of the following additional requirements:
 - a. The company's business offices, or the personal residence of the owner, is located within a City of Tacoma designated Renewal Community/Community Empowerment Zone, prior to designation as a HUB, or
 - b. The company's business offices, or the personal residence of the owner, is located within the City of Tacoma for at least six months prior to designation as a HUB; or
 - c. The company's business offices are located in a federally designated HUBZONE in Pierce County or any adjacent county for at least 12 months prior to designation as a HUB; or
 - d. The company's business offices are located in a federally designated HUBZONE in a County wherein the work will be performed, or an adjacent county, for at least 12 months prior to designation as a HUB.

HISTORICALLY UNDERUTILIZED BUSINESSES SUPPLIES AND SERVICES

B. HUB Certification Requirements

1. Each HUB applicant shall provide the following documents to the Finance Department – HUB Program Coordinator or assigned designee:
 - a. A completed Statement of Personal Net Worth form (Appendix 3);
 - b. A completed Declaration of HUB Status Affidavit form as described in Section X. A. 3.;
 - c. Tax returns for the business for six (6) years prior to the date of application for HUB certification, or from the date of inception of the business if the business has been in existence less than six (6) years;
 - d. List of equipment and vehicles used by the HUB;
 - e. Description of company structure and owners;
 - f. Such additional information as the HUB Program Coordinator or designee may require.
 - g. When another governmental entity has an equivalent HUB classification process the City may enter into an interlocal cooperative agreement for mutual recognition of certifications.

The HUB Program Coordinator may review the status of HUBs proposing to perform work on City projects to assure compliance with these regulations.

- C. Recertification Requirements. HUB certified businesses shall annually demonstrate to the satisfaction of the HUB Program Coordinator that the following qualifications are still in effect:
 - a. The business still meets the HUB qualification criteria as set forth herein.
 - b. The business demonstrates that the owner or employees complete at least 15 hours of continuing business related training annually.
 - c. The business has maintained all required licenses.
- D. Pursuant to Ordinance and TMC 1.07 the HUB Program Coordinator shall be responsible for approving or disapproving HUB applications.
- E. It shall be considered a violation of the HUB program to obtain, or attempt to obtain, HUB certification on the basis of false or misleading information provided to the City of Tacoma.

XI. ADMINISTRATIVE PROCEDURES

A. Investigation

The City may investigate persons for compliance with the contractual provisions specified in Chapter 1.07, TMC. Such investigation shall be conducted in accordance with the procedures established by the City under Sections 1.07.070 and 1.07.080 of that chapter.

B. Penalties

The City Manager or Director of Utilities or their designees, upon receipt of a determination of violation from the HUB Program Coordinator, may take the following actions, singly or together, as appropriate:

HISTORICALLY UNDERUTILIZED BUSINESSES SUPPLIES AND SERVICES

Purchasing Policy Manual
Section XXIV. B.

1. Forfeiture of the contractor's bid bond and/or performance bond;
2. Publishing the names of contractors in noncompliance;
3. Recommending appropriate action by the City's Finance Department including, but not limited to debarment per TMC 1.06.279;
4. Canceling, terminating, or suspending a contract or portion thereof;
5. Withholding of funds until compliance is achieved; and
6. Disqualifying the contractor from eligibility for future awards by the City for a period not to exceed two years.

C. Contract Continuation.

When non-compliance with this chapter or the HUB Regulations has occurred, the HUB Program Coordinator and the department/division responsible for enforcement of the contract may allow continuation of the contract upon the contractor's development of a plan for compliance acceptable to the Finance Department.

XII. REVIEW PROCESS

Actions taken by the City, its officers and employees, pursuant to these regulations may be reviewed in accordance with the provisions of Section 1.07 of the Tacoma Municipal Code or as that Ordinance may be amended for review of the debarment of contractors/vendors.

**HISTORICALLY UNDERUTILIZED BUSINESSES
SUPPLIES AND SERVICES**

**HUB UTILIZATION FORM
PURCHASE OF SUPPLIES AND SERVICES
(For Contracts Over \$25,000)**

1. Bidders who will be subcontracting with HUB businesses must complete this form and return it with their submittal to receive HUB credit.
2. List all HUB vendors from who will be used. Be sure to indicate if a contract will be awarded under "f".
3. Complete instructions are on the reverse side of this form.
4. Include complete names to assist us in verifying participation.

Company Name	Address	Phone Number	Contact Person (Please Print)					
a. Subcontractor Name Street Address, City, State, Zip Phone Number	b. Type and Quantity of Supplies or Services	c. Total Dollar Amount	d. Was Bid Received?		e. Was it the Low Bid?		f. Will Contract Be Awarded?	
			Yes	No	Yes	No	Yes	No

Signature of Authorized Company Official _____ Date _____

INSTRUCTIONS FOR COMPLETING THE HUB UTILIZATION FORM

This form must be fully completed and included as a part of your submittal. Submittals must be received by the City's Purchasing Division prior to the scheduled time and date stated in the solicitation announcement.

Bidders are encouraged to arrange the items into small units to enhance the possibility of including HUB business participation in City bid specifications.

The following instructions address errors and omissions most frequently noted:

1. To complete the form, list all HUB vendors solicited for subcontracting.
2. **Column "a" Subcontractor's Name, Street, Address, City, State, Zip and Phone Number:** Print or type.
3. **Column "b" Type and Quantity of Supplies or Services:** Must clearly show the type and extent of work to be performed by the subcontractor.
4. **Column "c" Total Dollar Amount:** Must be completed for all HUB vendors that will be awarded a subcontract.
5. **Columns "d", "e" and "f":** Complete by making a "✓" or "X" in either the Yes or No column. The blocks checked "yes" in column "g" will be used to determine HUB participation.

To verify approved HUB status, please call the HUB Office at 253-502-8080 or 253-502-8072.

The completed HUB Utilization Form provides information used to determine a bidder's efforts to comply with the City's HUB goals.



City of Tacoma
Procurement and Payables Division - HUB
 3628 S. 35th Street
 Tacoma, WA 98409
 Telephone 253-502-8080
 Fax 253-502-8663

PERSONNEL INVENTORY FORM

The Personnel Inventory Form (PIF) is required of NEW first time bidders; it is not required if the bidder has a current PIF on file with the City that is dated within the past six months.

NOTE: This form should be completed and signed by a responsible official of the company.

Specification Number: _____ Project Description: _____

Company Name _____ Date _____

Street Address/City/State/Zip _____

Telephone _____ Fax _____

Job Categories (Specify)	Total Employees		Non Minority		Total Minorities		Black		Asian		American Indian		Hispanic	
	M	F	M	F	M	F	M	F	M	F	M	F	M	F
1. Officials and Managers														
2.														
3.														
4.														
5.														
6.														
7.														
8.														
9.														
10.														
TOTALS														

 Signature of Responsible Official

 Print or Type Name of Responsible Official

Comments: _____

SEE INSTRUCTIONS ON REVERSE SIDE

INSTRUCTIONS FOR COMPLETING THE PERSONNEL INVENTORY FORM

1. **"HEADING"** the company name and address should reflect the unit actually doing business with the City of Tacoma. If this address is different from that of the Equal Employment Opportunity Officer that administers the EEO programs of the company, the Equal Employment Opportunity Officer's address should be noted in the "Comments" section at the bottom of the form. "Telephone" should contain the area code, telephone number and extension (if any) for the Equal Employment Officer or the responsible official. "Date" is the date of submittal of the form. If the data provided was obtained by a survey of the workforce at a time significantly earlier than the date of submittal (more than three months earlier), the date of the work force survey should be clearly noted and designated in the "Comments" section at the bottom of the form.
2. **"JOB CATEGORIES"** at the extreme left hand column of the form specifying "Job Categories" lists "Officials and Managers." You are to list in addition to Officials and Managers any appropriate job titles such as Sales Workers, Office/Clerical, Professionals, Technical, etc., as they apply to your own company.
3. The **"M" and "F"** headings at the top of each column refer to "Male" and "Female."
4. The **"Total Employees"** column should list the total number of male employees under "M" and the total female number of female employees under "F" for each job category listed. They should be listed in a similar manner in the "Total" category at the bottom of the form. The "Total Employees" column should include all those employees listed under "Non-Minority" and "Total Minorities." "Non-Minority" should include all employees not listed in the minority columns.
5. **"Total Minorities"** should include all employees listed under the "Black," "Asian," "American Indian," and "Hispanic" columns. These columns should include only employees who are members of the particular minority group. Designation and definitions of ethnic/national origin status follow the instructions and definitions of the Federal EEO-1 Form of the U.S. Equal Employment Opportunity Commission.
6. **"Totals"** should reflect the total of all lines in each of the above columns.
7. The signature of your company's designated responsible official or similar official responsible for affirmative action and equal employment opportunity must appear in the designated space at the bottom of the form. Please PRINT OR TYPE the person's name on the top line across from the signature.
8. **"Comments"** this section is to be used as needed for explanations to under utilization rate or lack of turnover, proposed expansion or reduction of staff or any other pertinent information you believe will help clarify or explain the data presented on the form. If you need additional space, please explain on a separate sheet of paper.
9. If you need assistance or have any questions regarding the completion of this form, please contact the City of Tacoma Historically Under-utilization Office at 253-502-8080.

**HISTORICALLY UNDERUTILIZED BUSINESSES
PUBLIC WORKS AND IMPROVEMENTS**

Purchasing Policy Manual
Section XXIV. C.

*****IN PROGRESS*****

*****IN PROGRESS*****

PURPOSE. The Procurement Card Program offers an efficient and cost-effective means to purchase and pay for goods and services of small dollar value (\$5,000 or less) and may be incorporated by Finance- Purchasing as payment terms on purchase orders, contracts, SOS agreements and in lieu of miscellaneous invoice process for higher amounts.

This Procurement Card Policy outlines the policies and procedures governing card issuance and usage, as well as oversight and accountability.

Expected Benefits of the Program

- Delegates authority for small dollar purchases
- Allows for some purchases under emergency conditions
- Faster and simpler procurement of small dollar purchases and PO, contract and [miscellaneous invoice purchases](#) when the procurement card is authorized as the payment method
- Reduction of paperwork, transactions and checks associated with standard purchasing and payments
- Reduction in cost of processing small dollar purchases and PO, contract and miscellaneous invoice purchases when the procurement card is authorized as the payment method
- Reduction in cost of processing payments for such purchases
- Generates revenue for the City of Tacoma

Policy sections consist of:

- I. Card Limits
- II. Card Categories
- III. Authorized Cardholders and Card Issuance: Renewals, Transfers and Cancellations
- IV. Authorized Uses, General Restrictions
- V. Other Restricted Uses
- VI. Procurement Card Procedure
- VII. Procurement Card Approvers and Approving Managers
- VIII. Accounting Controls, Oversight and Recordkeeping
- IX. Accounting
- X. Payments
- XI. Card Misuse
- XII. Lost/Stolen/Compromised Cards

POLICY SECTIONS

I. Card Limits:

Level One	\$250 maximum per single transaction; \$1,000 maximum per month *
Level Two	\$500 maximum per single transaction; \$2,500 maximum per month *
Level Three	\$1,000 maximum per single transaction; \$5,000 maximum per month *
Level Four	\$2,500 maximum per single transaction; \$10,000 maximum per month *
Level Five	\$5,000 maximum per single transaction; \$20,000 maximum per month **

** Monthly maximum may be increased up to \$20,000 based on documented need and upon recommendation of a Department/Division head.*

*** Monthly maximum may be increased up to \$50,000 based on documented need and upon recommendation of the Department Director or Superintendent. (Director of Finance's approval required.)*

Procurement cards (P-Cards) are limited to \$5,000 maximum per single transaction, consistent with the delegated authority to departments for purchasing.

Split purchases to circumvent transaction limits are prohibited. A split purchase is defined as more than one transaction on a card with the same vendor on the same date, which when combined exceeds the single purchase limit on that card.

Levels Three and Four are typical limits established for regular card users; however, limits may be adjusted upwards or downwards based on valid business needs by completing and submitting a properly authorized [Procurement Card Application/Update](#) form to the Procurement Card Program Manager.

Unless an exception is granted, Level Five is the maximum standing limit issued for a City of Tacoma procurement card. (Exception: Cards issued to Finance-Purchasing and Accounts Payable for department back-up and citywide purposes.)

A one-time exception to the established limits to accommodate a specific transaction or a particular month of high activity can be requested by contacting the Procurement Card Program Manager in advance.

While it is the intent for procurement cards to be issued to City employees and at limits within the policy as requested by department management, cards may be canceled and/or limits may be decreased by the Procurement Card Program Manager if historical transactions do not support such limits or issuance. P-Cards issued but rarely used, and cards with approved limits consistently in excess of actual dollar usage, detract from the City's PCard program fee structure. Notices will be provided to department management prior to implementing such cancellations or changes.

II. Card Categories

Merchants who accept credit cards are assigned a Merchant Category Code (MCC) number by their bank's Merchant Services Division. The MCC is an industry wide, uniform code system which identifies the merchant's type of business. The City determines which merchant categories will be allowed for use based on City of Tacoma, state and federal policies, regulations and best practices.

Each card is set up by the card issuing bank to limit usage to MCC groups authorized by the City. Tacoma's PCard Program has restricted certain merchant categories to maintain the credibility of the program as a governmental entity and assure consistency with City policies. Because of the way merchants are categorized by the card industry, some merchants may be included in a restricted MCC group, even though the specific item to be purchased may be an allowable purchase. In these situations, lifting the restriction for a specific merchant, for a single

transaction, may be accomplished by contacting the Procurement Card Program Manager in advance via [email](#). These requests will be handled on a case-by-case basis.

The City has authorized six MCC Groups to which cards may be assigned:

- **MCC Group 1– Standard (950)** - All City of Tacoma P-Cards are automatically assigned to this group. It includes merchants who provide: materials and supplies; repairs; business services (excluding management, consulting and personal services and others); postage; parking; advertising; equipment leasing; subscriptions; membership dues and others
- **MCC Group 2- Expanded (952)** - Provides the broadest array of merchant categories, and includes most restricted merchant types plus all the other City MCC Groups. MCC Group two is not issued except for certain cards in Finance-Purchasing and Accounts Payable; it may also be issued, if requested, to department directors, superintendents, assistant directors, management staff, and other personnel as justified by business needs
- **MCC Group 3- Extended Travel (953)** – This group is for employees who arrange travel for and/or frequently travel on City business, and have been designated by their supervisors/managers to have this MCC group added to their cards; it includes hotels, airlines, rental agencies and other businesses tied to the travel industry. Employees may apply for this Group on the [PCard Application/Update form](#); policy training attendance is required for the cardholder, PCard Approver and Approving Manager before this group may be attached to a card
- **MCC Group 4- Local Lodging (954)** – This group consists of local hotels and may only be added by special request for staff who are responsible for securing local lodging for individuals in special circumstances, such as domestic violence victims
- **MCC Group 5- Gasoline and Fuel (955)**- This group is extremely limited and may only be added by special request for staff in outlying areas for use in City vehicles where our contracted fuel provider does not have a presence
- **MCC Group 6- Non-Travel Food & Restaurants (956)** - This group contains restaurants, caterers and other sources to purchase food. Meal costs may be paid on P-Cards when it is in the City's best interests; where time constraints or remote locations make it impractical to expect employees to provide their own:
 - Employees attending local area training
 - Staff meetings held during meal time
 - Training sessions held in City facilities
 - Other situations with a clear business need

Employees may apply for this Group on [PCard Application/Update form](#).

Lifting a restriction for a single transaction, from any group described above, may be approved by the Procurement Card Program Manager upon request of the cardholder's supervisor, and based on documented need.

Other custom MCC groups may be created by the Procurement Card Program Manager as specific needs arise, subject to approval by the Purchasing Division Manager or Director of Finance (or designee).

III. Authorized Cardholders and Card Issuance; Renewals, Transfers and Cancellations

Permanent employees of the City of Tacoma, or temporary/project employees who have been employed 90 days* or more, may be issued a PCard, when requested by Department management personnel.

The employee must submit an application, acknowledge receipt of the PCard Policy, and sign the Cardholder Agreement Form.

* **NOTE:** Exceptions to 90-day wait period for temporary/project employees may be requested in critical situations with appropriate department supervision.

The cardholder is required to attend a PCard orientation prior to receiving a card and may be required to attend subsequent periodic training to keep a card.

Only the cardholder may pick up the card when it is first issued so that necessary acknowledgement forms may be signed upon issuance. The card must be immediately signed by the cardholder and kept in a safe/secure location.

Renewals: Upon expiration, existing cards will be automatically issued to the cardholder.

Transfers: An employee who has an existing card and is transferring to another City position under a different supervisor or cost center requires an [updated card application](#) to change default accounting, approver contacts and card authorizations. It is not usually necessary to reissue new cards for transfer situations within the City; however the card record must be updated prior to the transfer. Both releasing and receiving supervisors and the employee are responsible for assuring card transfers are completed in a timely manner.

Cancellations: To cancel a card, the cardholder must first give a written (email) request to the Procurement Card Program Manager. The effective date of separation, cardholder name and only the last four digits of the account number are to be included in the written request. Do not send cards to the Procurement Card Program Manager until email confirmation of deactivation has been received. The card is to be cut in half; one half is to be turned in and the other half destroyed. Supervisors must be alert to the need to cancel cards for employees terminating City employment prior to date of separation (follow up to ensure cards have been canceled and turned in).

IV. Authorized Uses; General Restrictions

A City of Tacoma PCard is issued to a named City employee and is to be used exclusively by the cardholder. The card is to be used only for official City of Tacoma purchases as authorized by this policy. Under no circumstances shall personal purchases be charged to the City's procurement card, even if the intent is to reimburse the City for such

charges. Although the card is issued to a specific employee, it remains City property and may be rescinded at any time.

This program is designed to streamline the procurement and payment of small dollar transactions. The City's policy is to use P-Cards for purchasing of goods and services of small dollar value (\$5,000 or less), and/or in lieu of the standard purchase requisition (PR), purchase order (PO), and invoice payment process when authorized in advance by Purchasing. The more costly and complicated PR/PO and standard invoice payment process is intended for larger dollar purchases over \$5,000, fixed/capitalized assets over \$5,000, construction project payments, and situations or contracts where a card purchase is not feasible or the merchant does not accept such cards. Exceptions may be approved by the Director of Finance or Purchasing Manager (or designee). If repetitive purchases occur, a contract may be appropriate and offer better pricing due to quantity purchasing.

The City's purchasing ordinances and rules still apply. Normal requirements (when applicable) for written quotes, competitive bidding, waiver justification, dollar limits, necessary approvals, etc., cannot be circumvented by use of a procurement card. Nor does it relieve City employees from prudent expenditure of City funds and obtaining the best value for goods and services procured.

Some services may be purchased using a procurement card; however, departments and cardholders are urged to be cautious due to various legal concerns. Many services require legal contracts to protect the City's interests, and stipulate performance criteria, payment terms and other requirements for complying with federal and state law. Some of these contracts also involve progress payments, while others are one-time payments. Prior approval by the Purchasing Manager (or designee), is required to use a PCard to purchase or pay for services that are, or should be, on contract or a Statement of Services (SOS) agreement.

It is the department's responsibility to assure no prevailing wage, insurance, performance concerns, IRS 1099 reporting, or other risks or liabilities might be undertaken by the City when services are procured using a PCard, in lieu of contractual or SOS arrangements. Also note that certain services may be prohibited due to the City's collective bargaining agreements. If similar services are currently performed by City employees, the cardholder (or department authorizing personnel) must first confirm with the City's Human Resources Department that no collective bargaining agreement prohibits such services through external sources. It is the department's responsibility to coordinate and clear such issues with the Legal, Risk Management and Human Resources Departments. The Procurement Card Program Manager also serves as a resource.

Finance-Purchasing may use the PCard as an alternate method to purchase goods or services for the City, as well as incorporate PCard payment terms on purchase orders, contracts, and SOS agreements, when deemed appropriate and consistent with this policy.

In coordination with Finance-Purchasing, Accounts Payable may use the PCard as a cost effective alternative to traditional payment methods such as checks, warrants, electronic fund transfers or other forms of vendor payment.

Authorized card uses include, but are not limited to:

- Conference, training and seminar registrations
- Licenses (professional, vehicle, software)
- Subscriptions (e.g. magazine, newspapers, periodicals, books, professional white papers, reports, electronic or hardcopy)
- Membership dues
- Meeting refreshments or meals if required during a business meeting (Restaurants on a per transaction exception basis okay for these purposes or if MCC Group 956 is permanently attached)
- Meeting room rentals (Restaurants on a per transaction exception basis okay for these purposes)
- Permit fees
- Postage, mailing, shipping, delivery charges
- Purchases from certain goods or service contracts designated by the Purchasing Manager for PCard use (see Finance-[Purchasing website](#) for current list of such contracts)
- Training videos and materials
- Certain employee travel-related purchases (See updated [Travel Policy](#)):
 - A. Airfare or other commercial transportation (e.g., train, bus)
 - B. Lodging
 - C. Car rental
 - D. Parking
 - E. Taxi fares
 - F. Tolls and ferries
 - G. Meals while in travel status
 - H. Fuel for rental cars while in travel status
 - I. Other travel related business expenses pre-approved on the [Travel Authorization](#) (e.g. internet access; faxes; conference related training materials; baggage check in)

NOTE:

- All listed permissible travel-related purchases MUST be accompanied by itemized receipts (not just the credit card slip).
- In addition to regular card transaction approval procedures, all travel-related purchases must be reconciled, and original, itemized receipts submitted to the XiBuy PCard Approver immediately upon return from travel status (use of the [Itemized Expense Worksheet](#) is optional, and recommended to consolidate expense reporting of PCard travel transactions).
- Review the City's Travel Policy for [guidance](#) on required expense reporting).
- Travelers using a PCard to pay for permissible travel-related purchases are required to list the PCard transactions along with other City paid charges and out of pocket, reimbursable travel expenses in SAP TRIP.
- SAP Travel Expense Trip is to be printed, certification signed and submitted with original Travel Authorization, original out of pocket/other City paid receipts and COPIES of PCard receipts to Accounts Payable.

V. Other Restricted Uses

- Any unlawful or inappropriate purchase as a public, governmental entity.
- Goods and services that should be competitively procured for best pricing, frequent or volume purchasing or on-going requirements. These should be procured through bidding and resulting contracts/purchase orders. (Example: Cell phone services) Note that some resulting competitively procured contracts/purchase orders may be permitted for PCard usage if approved in advance by the Purchasing Manager or designee.
- To pay invoices in lieu of creating a required purchase requisition/purchase order. (Example: Purchases over \$5,000 that require a PR/PO to order, receive and pay for the transaction.)
- Surcharges by a merchant for using the PCard as payment for the purchase.
- Splitting purchases to avoid transaction and card limits (more than one transaction on a card, on the same date with the same vendor that when totaled, exceeds that card's single purchase limit).

In addition to general prohibitions discussed elsewhere in this policy, the following types of purchases are prohibited:

- Alcoholic beverages
- Cash advances, traveler's checks
- Capital equipment, capital or fixed assets (over \$5,000 and useful life of one year or more)*
- Construction and renovations*
- Consulting, legal, and other professional services, unless approved in advance by the Purchasing Manager or designee*
- Entertainment-related (theaters, clubs, casinos, etc.)
- Flowers, gifts, refreshments, etc., for birthdays, illnesses, funerals and other office or co-worker social courtesies; however, this is allowable for official employee recognition awards
- Gasoline, automotive fuel (See [Travel Policy](#) for allowable exceptions)
- Gift certificates, gift checks, gift cards (See [Gift Card & Certificate Policy](#) for allowable exceptions)
- Labor or services subject to prevailing wages, retainage, IRS 1099 reporting, or insurance requirements, unless approved in advance by the Purchasing Manager or designee*
- Non-listed travel-related expenses and purchases
- Medical services, including drugs and prescription medicines*
- Tobacco
- Services that may be restricted by collective bargaining agreements (e.g., graphics, copying and printing, etc.) unless cleared by Human Resources and approved in advance by the Purchasing Manager or designee

* P-Cards may be designated as the payment method to purchase orders, contract purchase orders, statement of services or used in lieu of the miscellaneous invoice process when authorized in advance by the Purchasing Division Manager or designee.

NOTE: There may be circumstances which may be approved on a single transaction exception basis. For example, a meeting room rental fee at a restaurant could be charged on a PCard by lifting the restriction for that single transaction for the specific merchant by contacting the

Procurement Card Program Manager in advance. The business purpose involves a restaurant, a restricted merchant category for that specific card; therefore, an exception may be approved.

VI. Procurement Card Procedure

Department internal purchase approval procedures are not waived by this program. When making a transaction using PCard, employees are to follow these procedures:

- A. Staff members are to identify themselves as City of Tacoma employees and give their names as they appear on the PCard.
- B. Tell the merchant payment will be made with a PCard, a corporate credit card.
- C. The individual PCard number and expiration date is to be given to the merchant, or card is to be provided at point-of-sale for in store transactions.
- D. Obtain copy of signed credit card slip and itemized sales order/receipt documenting the purchase. If ordering by phone/fax/Internet, obtain confirmation information for the PCard transaction, as well as the purchase. If such documentation is not available for phone/fax/Internet purchases, create adequate internal documentation of the purchase and card transaction (e.g. screen prints), with typical information expected for an on-site purchase.
- E. Confirm receipt of goods/services. Resolve discrepancies, damaged goods, delivery problems, etc. Seek prompt adjustments to the PCard, if necessary (Cardholder is responsible to see that proper adjustments are made for returned items or erroneous billings or charges; substantiating document is to be provided to the PCard Approver).
- F. Use the City [Procurement Card Tracking](#) Form (found on the Purchasing website), and record transactions in logs as may be required by department internal procedures (Itemized Expense Worksheet may be used in lieu of tracking forms for charges incurred while in extended travel status).
- G. Promptly forward documentation, including any approved exceptions granted by PCard Program Manager, to support purchases and card transactions to the supervisor or designated Procurement Card Approver, per department control procedures.

VII. Procurement Card Approvers and Approving Managers

Procurement Card Approvers are designated by their departments to review and approve card transactions in SAP using "XiBuy," an e-procurement SAP certified card business solution, and to review for compliance with the City's policies and procedures. A cardholder cannot be the approver of his/her own transactions.

To assign someone as a PCard Approver (XiBuy Supervisor), Approving Manager, Reporting Manager (Fund Accountant) or as a back-up (XiBuy Delegate), a properly approved [XiBuy New/Change Role Request](#) form is to be submitted to the Procurement Card Program Manager in Finance-Purchasing. PCard Approvers, Approving Managers and optional back-ups must attend required training before access to XiBuy will be granted.

Approving Managers are designated by their departments to perform oversight of card activity and to monitor appropriate usage, compliance with City policies, and observe PCard purchases and expenditures for the program, unit, division, or department. Approving Managers provide leadership and help resolve matters that affect the integrity of the program.

VIII. Accountability, Controls, Oversight and Recordkeeping

The Procurement Card Program empowers departments and their personnel to purchase and pay for certain goods and services quickly and easily. Within the general constraints of this policy, departments have discretion to determine who is assigned cards and the level of procurement authority given to individual employees.

Accountability for proper oversight, establishing internal controls, assuring compliance by employees, and maintaining necessary records and documentation of PCard activity are primarily department responsibilities.

Cardholders, designated PCard approvers and department supervisors/management are responsible for the proper safeguarding of the card and to ensure its proper use, including appropriate and timely review/approval of transactions and payments, reconciliation of statements, maintenance of records and documentation, and compliance with the Procurement Card Policy. Department management should establish appropriate internal control and monitoring procedures that provide for review of a cardholder's transactions and periodic review of overall PCard program activity for the organization. Internal department processes vary.

Card transactions in SAP must be reviewed and approved within five calendar days from the date charges are posted into XiBuy. The next level approver (Approving Manager) should monitor for delayed, unapproved transactions. The Approving Manager can review and approve the transactions or prompt the designated Procurement Card Approver to take timely action.

Card transaction slips and related sales receipts/purchase information are to be kept for all purchases and used to enter purchase transaction detail, verify and approve payments in XiBuy. These card transaction slips should then be matched to monthly PCard statements by someone other than the cardholder. Any discrepancies or missing documentation should be immediately researched and resolved. Additionally, transactions should be reviewed by someone other than the cardholder for appropriateness and compliance with this policy and other purchasing ordinances or rules. Daily cardholder account activity can also be viewed on-line through XiBuy in SAP and can serve as another oversight and reconciliation tool for the department.

The department is responsible for maintaining documentation for necessary control, oversight and audit purposes. Sales receipts and receiving information, card transaction slips, reconciled monthly card statements (to transaction slips), City Procurement Card Tracking forms, internal logs or other tracking records used should be retained as part of the department's documentation. The City is required to maintain financial records for six (6) years. Departments must keep PCard documentation on-site and available for audit and/or other review for three years, or until the audit cycle has been completed for the transactions involved, whichever is longest. Older records may be sent to off-site records storage. Documents containing card numbers or other confidential information are to be shredded before disposing.

Proof of Purchase Documentation

Along with the authority to make purchases using a PCard, is the responsibility for keeping adequate documentation at the source (departments) to support the legitimate business purpose of the transaction. In addition to itemized cash register or sales receipts, packing slips

and invoices, internal documentation supporting the business reasons for a purchase and expenditure of City funds, other examples of documentation may include:

- • Copies of conference registrations, subscription or dues renewals, etc.
- • Copies of orders for goods
- • Copies of service orders or service reports
- • Internal (department) order requests/justification
- Any additional documentation as required by City ordinance, legal, purchasing policies and regulations

For Internet, fax or phone purchases, confirming documentation should be pursued if available. If not, the cardholder should create internal file notes with similar kinds of information to document the transaction.

Oversight and Reviews

To ensure the continued success of the Procurement Card Program, periodic reviews should be performed, both by department management and the City's internal auditor. The Procurement Card Program Manager (or designee) should provide global program oversight and monitor for trends or problem areas. (Finance-Accounts Payable will assist the Procurement Card Program Manager in monitoring, oversight and reviews.)

The purpose of the reviews is to ensure that relevant policies and procedures are being adhered to by cardholders and approvers. Any concerns observed by the Procurement Card Program Manager in general oversight of the citywide program will be communicated to department management; however, it is the responsibility of the department to take appropriate action. Procurement Card Program Manager reserves the option to immediately cancel cards for serious violations or concerns. Procurement Card Approvers should notify supervisors or department management of cardholder abuse or compliance concerns. Assistance from the Procurement Card Program Manager, Purchasing Manager, or the Director of Finance may be sought as needed.

Reviews should include:

- Card used for only authorized purchases
- Compliance with existing vendor contracts
- Maintenance of proper documentation to support card transactions and business purpose of the purchase
- Monthly review and reconciliation of cardholder's account statement with actual purchases and card transactions
- Timely review and approval of payments within five (5) calendar days of posting in XiBuy
- Proper entry of purchase description, freight, [tax](#), accounting and other information in XiBuy when approving transactions for payment
- Timely resolution of discrepancies with vendors and adjustments to card account, if needed
- Compliance with the Procurement Card Policy
- Assurance that card is not used to circumvent other purchasing ordinances or policies or other City policies

IX. Accounting

A default accounting cost center/ element is assigned by the department for each card, usually associated with the cardholder's home cost center/element. However, in XiBuy, the accounting for specific PCard purchases may be charged to other accounting cost centers or split among several accounting codes. The default account cost center allows the card activity to be assigned within the system to the appropriate Procurement Card Approver for review and approval. When a specific card transaction is being approved in XiBuy, the Procurement Card Approver may change the accounting information to a different account code, cost center, WBS element, etc., or split among several.

X. Payments

The City of Tacoma is responsible for PCard payments and liability. Merchants are paid promptly by the card company. The City pays the card company.

In SAP, XiBuy will sort card transactions according to the default cost center, by card number and in a variety of other ways, so the designated Procurement Card Approver can access those transactions relevant to his/her area of responsibility. Email notifications will be broadcast by the system to Procurement Card Approvers who have transactions requiring action after daily downloads of information are received from the card company.

Procurement Card Approvers have five (5) calendar days after charges have posted in XiBuy to review and approve the transaction, including any changes to accounting information. Therefore, it is important that cardholders promptly submit the supporting documentation for their transactions so that timely approvals are made. As desired, the department may impose internal timelines (e.g., cardholder to submit documentation within three calendar days of purchase) to facilitate the five calendar day approval.

The City pays the card issuing bank on a weekly basis to avoid finance charges, therefore, it is important that department approvers assure the timely review and approval of all card transactions. Any finance charges incurred by the City will be allocated back to departments that fail to review and approve transactions in a timely manner. Cardholders and/or department reviewers/approvers should also immediately seek adjustments through the merchant and/or card provider for errors and adjustments, which in most cases, would be reflected in future statements.

Having a PCard will not affect an employee's personal credit.

NOTE: Instructions for how to process PCard payments in the system are published as [Tacoma Performance Support](#) within SAP by the IT Department and are not restated in this document. Additional tutorials are posted on the PCard web page under the heading of [Tutorials and PCard Information](#).

XI. Card Misuse

Although the City is liable for the Procurement Card Program and card activity, the cardholder is responsible for the safekeeping of the card and its proper usage. By using the card, the

cardholder is accountable for the expenditure and use of City funds. Misuse of the PCard is determined as personal or administrative in nature.

Personal Misuse:

- Personal purchases
- Allowing others to use an individual card
- Using card in violation of policies, directives or procedures
- Using card to make purchases through a merchant that may constitute a conflict of interest (ethics violation)
- Repeated incidents of missing receipts, disputed charges, lost or stolen cards

Administrative Misuse:

- Not maintaining necessary documentation of card transactions and purchases
- Not submitting documentation in a timely manner for transaction approvals
- Not properly and promptly reviewing/reconciling transactions prior to payment
- Allowing improper charges to go undetected or unresolved
- Using card to circumvent other City ordinances, policies, rules or procedures

Since the card is issued in the cardholder's name, all purchases are assumed to be made by the cardholder. Be aware that improper use may result in disciplinary action, up to and including termination.

Cardholders must obtain all original sales information and card transaction slips, and promptly forward to their designated Procurement Card Approver, along with other appropriate documentation of the purchase. Use of the City [Procurement Card Tracking Form](#) (available on the Purchasing website) is strongly recommended. Some departments may require cardholders to also maintain an internal transaction log of some kind. Unless a department has established a system for forwarding such documentation to the designated Procurement Card Approver (or whoever designated by the department) for safekeeping, the cardholder is expected to make available such documentation for audits and other reviews. (It is recommended a central records keeping system be used rather than reliance on cardholders keeping documentation for audit purposes.)

XII. Lost/Stolen/Compromised Cards

The City of Tacoma is liable for all transactions until the card is reported compromised, lost or stolen; HOWEVER, it is the responsibility of the cardholder to immediately report fraudulent charges, lost or stolen cards to both the bank and the Procurement Card Program Manager. Cardholders should keep the phone number from the back of the card and the last four digits of the card in a separate, safe place. Cardholders are to call the card company to [report the loss](#) immediately, including nights, weekends and holidays. Then promptly report the lost or stolen card to the Procurement Card Program Manager (or designee) by the next business day.

Department Liaison: The designated Procurement Card Approver will serve as a central point of contact between the department and the Procurement Card Program Manager. As PCard policies are revised or if information needs to be disseminated to cardholders, the department

Procurement Card Approver will be requested to assist in distributing such information, and as needed, help get an issue directed to the appropriate people in the department.

Procurement Card Program Manager: The Procurement Card Program is administered by the Purchasing Section of the Finance Department/Procurement and Payables Division. The Procurement Card Program Manager (or designee) serves as the Procurement Card Administrator. The Procurement Card Program Manager is available to assist cardholders and departments regarding this program and these guidelines, in addition to handling case-by-case exceptions for single transactions, as provided in this policy.

Policy Exceptions: Case-by-case exceptions consistent with this policy, and based on a documented business need, may be made at the discretion of the Purchasing Manager/Procurement Card Program Manager (or designee), or if necessary, the assistant Director of Finance/Director of Finance. In most cases, exceptions cannot be approved based solely on the cardholder's request. Such requests shall have the recommendation of the cardholder's supervisor or other department management, as appropriate, and submitted in writing (or [email](#)) to the Procurement Card Program Manager (or designee) for approval.

Revised: January 25, 2010; supersedes Procurement Card Program Policy dated August 12, 2008, July 10, 2004, October 4, 2004, April 5, 2005 and December 1, 2007.

A. Overview

Unless otherwise authorized or prohibited by state law and the City's Purchasing Code, the following standards and procedures apply to the disposition of surplus personal property owned by the City.

Surplus personal property with commercial value will be disposed of in an efficient manner that achieves the highest resale proceeds for the City of Tacoma. Surplus property with little or no commercial value or when disposal and sales efforts are judged more costly than estimated net proceeds, may be transferred in the order as stipulated in TMC 1.06.278, and eventually disposed of through salvage contracts or other efficient means if not so transferred. Items that are broken, unusable, and have no commercial, salvage or donation value may be declared as "trash" and efficiently disposed of as such. Regulatory or special disposal requirements shall be followed when applicable (e.g., hazard metals, cathode ray tubes). The dollar values referenced in this policy are the estimated current commercial or resale value of the property at the time the property is declared surplus, *not* the original acquisition value, as determined by the owning department/division and/or as determined by a knowledgeable third party hired by the owning department/division.

B. Highlights

1. In addition to City website postings for disposal of surplus personal property, advertising, promotional and resale assistance through a third party contracted by the City may also be appropriate.
2. Traditional surplus disposal procedures are inefficient and costly to the City for items that are broken, unusable, and have no commercial salvage or donation value. Departments may declare and dispose of such items themselves as trash.
3. City employees are permitted in limited situations to participate in the surplus property program.
4. This policy does **not** apply to surplus real property, that is, real estate transactions.

C. General Requirements

1. Declaration of Surplus Property (DSP) Form. This form can be found on the Purchasing website. The DSP form is used for declaring surplus property and must be completed for **all** disposal situations, including real property and "trash" items. Except for "trash" items, the form must be submitted to Purchasing prior to **initiating** the surplus property disposal process. For "trash" disposals, the form need not be submitted to the Purchasing Division, but is maintained by the owning department for accountability purposes for a period of two years after the disposal of "trash" items.
2. For personal property with estimated values over \$200,000, follow the sealed solicitation procedures for requests for bids outlined in Section XV. of the Purchasing Policy Manual unless a negotiated disposition process has been authorized per TMC 1.06.273 A. See subsection C. 19. below for additional guidance applicable to disposition of utility specific surplus personal property owned by TPU.

3. Surplus personal property with an estimated value between \$25,001 and \$200,000 shall follow the informal solicitation procedures for requests for bids outlined in Section XII. of the Purchasing Policy Manual. However, some items may be appropriate for on-line auctioning due to general public appeal, collector value and/or broader exposure of unique items for sale. Such requests may be approved by the Procurement and Payables Division manager on a case-by-case basis when on-line auctioning is anticipated to be more successful.
4. Surplus personal property with estimated values between \$1,001 and \$25,000 will be posted to the City website for a minimum of 10 business days, supplemented by posting announcements to the Association of Washington Cities surplus property website. Departments/divisions may post and distribute notices to their own mailing list or potential interested parties. In lieu of the above, the department/division may request on-line auctioning approval from Purchasing.
5. Surplus personal property with estimated values between \$250 and \$1,000 will be posted to the City website. After 10 business days, items not sold will be disposed of through salvage contracts or transferred in the order specified in TMC 1.06.278. If desired by the owning department/division, on-line auctioning may be requested. However, on-line auctioning approval from Purchasing for lower valued items may not be granted if special requirements render the process not cost-effective. For example, if special disclaimer or legal language (other than the standard) must be researched and incorporated with the posting, or if special posting, bidding or payment arrangements are needed that require the standard City set-up with the on-line auction company to be modified. These situations are not cost-effective for an item with estimated value of \$350, but may be for items valued at \$750.
6. Surplus personal property with estimated values less than \$250 may be transferred or disposed of in the order specified in TMC 1.06.278, on a first come-first requested basis. Items will be posted to the City website and items will become available to the next eligible group after a set period (5 business days unless otherwise specified) expires. Items valued less than \$199 may also be sold/transferred through "2good2toss.com", a waste reduction/recycling exchange website sponsored by the State Department of Ecology and other governmental entities including the City of Tacoma.
7. "Trash" Items. Surplus property that is broken, unusable, or has no commercial, salvage or donation value and no special disposal requirements (e.g., hazardous metals), may be declared as "trash" by the owning department/division by completing a Declaration of Surplus Property (DSP) form and disposing of the items themselves, using whatever method that is efficient (garbage, landfill, etc.). Purchasing does not need to be involved and these "trash" items are not handled through normal surplus procedures. Purchasing will pursue citywide contracts with salvage and junk dealers to aid in timely and environmentally proper disposal where practicable. ***Please note that cathode ray tubes (CRTs) are banned from disposal as garbage by state regulations.*** CRT containing devices include computer monitors, televisions or other items that contain a picture tube.

8. Inventoried Fixed Assets. For “trash” items, the owning department/division shall work directly with Accounting Division of Finance Department to remove inventoried fixed assets from the City’s records. For all other surplus personal property disposals, Purchasing forwards a copy of the DSP form to Accounting after the property has been sold, transferred or donated, at which time Accounting and the owning department/division can work to remove inventoried fixed asset items from City records.
9. On-Line Auctions. May be authorized by and coordinated through the Procurement and Payables Division manager. Fees and commissions charged for on-line auctioning will be allocated to the owning department. On-line auctioning, once authorized and set up on the auction site, becomes the responsibility of the owning department/division to monitor, accept/reject bids, handle inquires, etc. Descriptive information for the auction site posting, minimum bids, transfer arrangements, etc. shall be provided by the owning department/division to Purchasing.
10. Special Assistance. Advertising, promotional and resale assistance through contract relationships may be appropriate in some situations. Surplus property with collector value, for example, may reach larger audiences and result in higher net proceeds if sold through a specialty broker or marketing agent, despite the fees or commissions paid. Surplus vehicles are often sold through auction services. These services shall be obtained through normal purchasing and contracting procedures before surplus property can be disposed of through such contract arrangements.
11. Settlement. All surplus property sale proceeds in the form of a cashier’s or certified check will be received by Purchasing and deposited to the owning department/division’s account(s). The appropriate account(s) are specified by the department/division on the completed DSP form. Recommended awards to successful bidders for surplus property valued over \$200,000 will continue to be approved by the Utility Board or City Council prior to the sale/transfer of the property. Recommended awards for property valued at \$200,000 or less (including donations) must be approved by the Procurement and Payables Division manager prior to the sale/donation and transfer of the property.
 - a. The City’s Hold Harmless Release form (available on the Purchasing intranet site) must be signed by the successful bidder or the recipient of transferred property. This includes successful bidders from on-line or contracted auctions. A fully executed DSP form, the Hold Harmless Release, along with a cashier’s or certified check for the agreed upon amount, including sales tax and/or shipping, if applicable, must be received in Purchasing **before** the property can be transferred/released. Credit card payments for on-line auction transactions will be researched and authorized if deemed appropriate for the City. Payment arrangements are the responsibility of the owning department/division in accepting or negotiating a bid offer. Purchasing staff will assist as needed.)
 - b. The Director of Finance (or designee) may authorize special settlement procedures, if appropriate, for third-party contract services to transact surplus sales on behalf of the City.
 - c. Surplus Vehicles Sold by Auction Service (e.g., Fleet Divisions). Proceeds from such sales shall be promptly forwarded by the auction services contractor to the City

Treasurer in the form of a Cashier's or Certified Check. Fleet Division personnel, working with fund accountants as needed, will provide timely deposit instructions to the City Treasurer regarding the allocation of proceeds to appropriate accounts.

Note: For surplus property valued over \$200,000 to be sold through auction, it is not practical to obtain approvals by the City Council or Public Utility Board prior to actual sales; therefore, general approval by the governing body shall be sought at the time the contract for auction services is approved. Sale information shall be provided to the Purchasing Division to properly document transfer/disposition of each surplus vehicle. Except as described here, all other procedures in this Settlement section and this policy apply to Fleet surplus vehicles. This includes submittal of signed DSP and Hold Harmless Release forms to the Purchasing Division, and assuring monies are received by the City and necessary releases are obtained from the final buyer before the property is transferred.

12. Costs of advertising, mailing of bid solicitations, etc., will continue to be charged to the owning department/division cost center. On-line auction fees or commissions will be deducted from the sale proceeds or charged to the owning department's cost center as required.
13. The owning department/division shall hold all surplus property until its transfer or disposal and will handle any pre-sale inspections by prospective bidders (if allowed by the department/division), and arrange for shipping and/or pick up of the property.
14. Intra City Transfers. Departments/divisions shall continue to have first option to negotiate transfers of surplus personal property, unless the owning department/division specifies otherwise. After the DSP form is submitted, surplus items are posted to the City website for a minimum 10 business days. Interested departments/divisions are to contact the owning department/division to negotiate an acceptable offer. If a transfer is agreed upon, the DSP form is signed off by the Procurement and Payables Division manager reflecting the Intra City transfer. The two departments/divisions will work with Accounting to reflect transfers of property on the City's records. Otherwise, the Purchasing Division will initiate appropriate **external** surplus property disposal methods after the internal posting period expires and no internal requests were received.
15. Sequence of Disposal Methods. If there are no acceptable responses to bid solicitations, mailings, auctions, or the posting of surplus items on the City website, steps may be taken to transfer or otherwise dispose of the items as specified in TMC 1.06.278 or herein, in the order prescribed, on a first-come, first-requested basis. Salvage value, if applicable, may be pursued at any point it is determined that net proceeds from salvage is more productive than other disposal attempts. If donation efforts are unproductive, the City may dispose of the property in the most cost-efficient manner available. The owning department/division determines minimum bid offers, accepts or rejects offers, and decides whether surplus property should be re-bid/re-posted or continue to be held by the City, turned in for salvage value, or be donated, after all efforts have been exhausted. All disposals shall be appropriately documented.
16. Employee Participation. City employees are eligible to request surplus personal property items with no commercial value (\$250 or less) on a par with the general public,

provided there is no conflict of interest or violation of the City's ethics policy, and the employee had no influence nor participated in decisions regarding the declaring of the item(s) as surplus, establishing its value, or its disposal. An executed Hold Harmless Release is required before transfer of the property. City employees may **not** receive City surplus property through the transfer procedures and/or **any** bidding process (including auctions) when such conditions apply or when a conflict of interest situation or violation of the ethics policy might occur.

17. Purchases by other Governmental Agencies. When a department/division is aware of another **governmental** agency that is interested in personal property that the City will be declaring as surplus, the prospects of an Informal Bid or other surplus disposal methods (including on-line bidding) are not good, the offer is considered fair and acceptable, and/or better offers are unlikely through other methods of disposal, the Director of Finance (or designee) may waive normal surplus property disposal methods and authorize the owning department/division to directly negotiate the sale and transfer of the property, when it is deemed in the public interest or best economic interests of the City. This may be approved only when surplus personal property valued at \$200,000 or less, a **governmental** entity is involved, and the above conditions are applicable. For surplus property valued over \$200,000, the current sealed solicitation process is followed, in compliance with the Municipal Code, unless otherwise authorized by the City Council or Public Utility Board per TMC 1.06.273, 1.06.276, and/or 1.06.277.

Example: A department is moving into new space and has old work station furniture worth \$16,500 to declare as surplus. The department has received interest from another governmental entity in the same building to buy the surplus furniture at a fair price. The prospects of receiving offers through normal informal bidding are not good given that the colors of the work station panels are outdated due to age, but happen to match the age and color scheme of the furnishings of the other governmental entity in the building. Purchasing concurs with the department's assessment that outdated, work station furniture of this age and description are plentiful in the market, and informal bidding or other surplus disposal methods may not be as productive. The department is authorized to negotiate a fair and acceptable price that results in a confirmed sale and higher proceeds for the City.

18. Disposal of Timber. The disposal of timber valued at \$50,000 or less shall be allowed when performed by City personnel or when permit/easement holders require removal of timber in the right of way. Departments shall adhere to the Disposition Process for Disposal of Timber Policy dated April 1, 2009.
19. Utility Specific Equipment. When utility specific property or equipment with a current value of over \$200,000 and originally acquired for public utility purposes is determined to be surplus to the City's needs and no longer required for providing continued public utility service, such determination must be made by resolution of the Public Utility Board after public hearing on the matter consistent with RCW 35.94.040 and TMC 1.06.276 B.

- a. As used herein, the term “utility specific” shall mean property or equipment that is unique to and necessary for the provision of utility services by TPU. Examples include, but are not limited to: transformers, conductor, and utility poles unique to the electric utility industry; pump equipment and water meters unique to the water utility industry; and locomotives, ties, and signal light equipment unique to the railroad industry.
- b. A resolution and public hearing is required regardless of the value of the property to be disposed of. Thus, it is advisable to gather and hold such property until the total value exceeds \$200,000 before presenting the request for resolution to the Public Utility Board. Only one public hearing is required so the resolution may be adopted at the same Public Utility Board meeting at which the surplus determination is made and authorization to sell is granted. The resolution must state the fair market value or other consideration to be paid, which may be based on actual bids received or on an estimate by the disposing division.
- c. Under certain circumstances, it may be in the best interest of the City to obtain Public Utility Board approval for the sale of surplus utility specific property or equipment before bids have been solicited or the buyer(s) identified. For example, sales of scrap metals, electrical insulating oil, and other materials subject to commodity markets that require flexibility in timing sales and shipments so as to capture the best possible price in a fluctuating market. Another example involves removal of surplus equipment in a particular time sequence to minimize costs and/or allow construction to proceed. In such cases, long term surplus disposition contracts and/or staged removal and sale contracts may be utilized to allow sale of surplus material or equipment over time. In these circumstances, the standard resolution, public hearing, and authorization to sell process for surplus sales based on sealed bids is used except that the actual value and bidder identity are not specified in the resolution. Instead, the resolution grants the division the authority to sell to the highest responsive bidder(s) at the highest available price when and as bids are actually received. Based on this authority, further Public Utility Board approval of such sales as they occur is not required.

Purpose

This policy establishes approved categories for processing payments of "non-procurement" items.

Background

The SAP materials management module, which includes purchasing transactions, requires a three-way match of purchase order, invoice and receipting functions in order for a vendor payment to be made against a purchase order. This functionality is used by the City for placing orders and approving PO payments, and to maintain optimum control and integrity of the procurement and payment process. However, for payment of "non-procurement" items, where no value is added by using the purchase requisition/purchase order process, the module also offers the capability to make payments directly, without a corresponding purchase order.

In general, the miscellaneous payment process is appropriate when a payment is not the result of a purchase contract, a legal contract, a competitive solicitation or other evaluated process, or is not required to be monitored or controlled, such as with fixed assets.

Approved Miscellaneous Payment Categories

Unless otherwise required by city policy, municipal code or other applicable law, purchase orders are not required for the items listed below.

1. Damage claims and settlement payments, including court costs, court orders, attorney fees associated with settlements, Worker's Compensation payments, Self-Insurance Claim fund settlements, etc.
2. Payments required by bond ordinances or other debt authorizations.
3. Refunds and one-time payments such as utility refunds, overpayment refunds, account closure refunds, witness fees and jury payments.
4. Intergovernmental payments for "non-procurement" items and interagency agreements to:
 - a. Pierce County
 - b. Tacoma-Pierce County Humane Society
 - c. Tacoma-Pierce County Health Department
 - d. Tacoma Public Library
 - e. Tacoma-Pierce County Employment and Training Consortium
 - f. Metropolitan Park District
 - g. Law Enforcement Support Agency (LESA)
 - h. State of Washington, e.g., State Auditor's Office, Department of Revenue, Office of Minority Women's Business Enterprise
5. Payments where the City of Tacoma serves as fiscal agent, e.g., Tacoma Urban Network.
6. Payments made on behalf of Tacoma Public Library, Tacoma-Pierce County Employment and Training Consortium, LESA and Tacoma Urban Network.
7. Utility bills from outside companies where there is no discretion as to the provider, for example, Puget Sound Energy, Snohomish County PUD, Washington Water, Parkland Light and Water, and some local telephone services. Where possible, payments should be made with a procurement card. Excludes long-distance telephone, cellular and paging services.
8. Wholesale power/electricity purchases (Avista, BPA, Puget Sound Energy, etc.).
9. Petty cash reimbursements.
10. Pension rollovers.
11. Military differential payments (non-taxable only).

12. Retirement reimbursements for medical items, including Police pension, Fire pension, etc.
13. Payroll benefit payments, including, but not limited to, union dues, flexible spending accounts, medical/dental/vision providers and deferred compensation accounts.
14. U.S. Postal Service mailing/delivery charge deposits and postage.
15. Tacoma Dome event-related expenses and settlement payments.
16. Outbound freight payments, e.g., FedEx, UPS, DHL.
17. Insurance premium payments.
18. Cafeteria reimbursements made to the TPU cafeteria contractor.
19. Tacoma Rail rail-car hires.
20. Vehicle licenses.
21. Permit, regulatory and other miscellaneous mandated fees*, including Association of Washington Cities, Puget Sound Clean Air Agency, Puget Sound Regional Council, etc.
22. Taxes, assessments* and fines*.
23. Grant disbursements*, i.e., pass-through items such as grant management payments for agencies such as the YWCA, Pacific Peaks Girl Scouts, Tacoma Rescue Mission, Salvation Army, etc. This category excludes city projects funded through grant monies such as Federal Highway Administration funds.

The list above is generic in nature and intended to summarize the types of payments that may or may not be made using the miscellaneous payment process. If you are unsure whether a purchase or payment qualifies as a miscellaneous payment, please contact your assigned purchasing assistant or accounts payable technician.

NOTES

*Departments may opt to use *either* the miscellaneous invoice payment process or the purchase order process for these items, e.g., for tracking purposes. If a PO is used, do the following:

- a. Write the PO number on the invoice and send to Accounts Payable. **Do not write** 'misc invoice' on the invoice when using a purchase order.
- b. Include "PO in lieu of misc invoice payment" in the purchase requisition and purchase order header notes.
- c. Select 'Misc Invoice per Policy' from the *reason for ordering* field drop down list on the purchase order 'retail' tab.
- d. If a PO is created, do not go back and forth between paying some of the associated invoices using the purchase order process and others using the miscellaneous invoice payment process.

To use the miscellaneous invoice payment process:

- a. Complete the [miscellaneous payment request form](#) (located on the [Accounts Payable](#) website); and
- b. Submit the form to Accounts Payable. Attach the invoice, if available.

Items Excluded from Miscellaneous Payment Process

The items listed below may not be processed using the miscellaneous invoice payment process. These should be procured using a purchase order, or where allowed, a procurement card.

1. Advertising, advertising services and advertising products (shirts, pens, etc.).
2. Courier/messenger services.
3. Professional certifications and licenses.
4. Association dues, including professional organizations, etc.

MISCELLANEOUS INVOICE PAYMENTS

Purchasing Policy Manual
Section XXIV. G.

5. Subscriptions (includes magazines, trade journals, miscellaneous publications and newspapers), whether electronic or hard copy.
6. Bulk mailing services, e.g., services for the mailing of customer utility bills.
7. Cellular phone, paging and long-distance telephone services.
8. Meeting registrations, including conference and education/training registration fees.
9. Software products, license fees, upgrades and renewals, and agreements for software development and other services and support, including software maintenance.
10. Personal and professional services, including those procured using the Statement of Services (SOS) agreement form.
11. Fixed asset purchases.

PURPOSE. This policy provides a guideline for awarding gift cards or certificates to employees who participate in certain City programs.

A. Expected Benefits

The use of gift cards or certificates in connection with City-sponsored programs is intended to encourage employees to change their personal behavior to more closely align with the City's strategic goals. Examples might include, but are not limited to:

- Employees increased use of public transportation (Commute Trip Reduction Program)
- An employee's personal health improvement (City's Wellness Program)
- An employee's contribution to increased workplace safety (Safety Program)

The amount of a gift card or certificate is limited to \$50 per employee per program. Gift cards or certificates shall be distributed according to the provisions of each individual program.

Department Directors must exercise good judgment in determining gift card or certificate amounts needed to encourage participation in the program. Possible vendors might include, but are not limited to, local coffee shops, restaurants, department stores, or bookstores.

B. Ordering Gift Card or Certificates Using Procurement Cards

One designated procurement cardholder in each department will be authorized to use his or her assigned card to purchase gift cards or certificates on behalf of the department. The name of the designated procurement cardholder will be submitted to the Procurement Card Manager in Finance-Purchasing. The department director, or the director's designee, will be responsible for ensuring gift cards or certificates are appropriately controlled and distributed.

The City's Procurement Card Tracking Form is to be completed by the cardholder explaining the card transaction and purchase of gift cards or certificates, supported by receipts and documentation, per normal procurement card procedures. The procurement card transaction is approved per normal procedures in XiBuy with appropriate description of the item purchased (e.g., ten \$25 gift cards for city van pool promotion), and proper accounting information for assignment of costs.

C. Internal Tracking

When gift cards or certificates are purchased, each gift card or certificate will be entered into a Departmental Inventory Tracking Sheet with the gift card or certificate number, the value of the gift card or certificate, and the date it was received at the department. The gift cards or certificates will be immediately placed into a secure location.

As gift cards or certificates are distributed, the department director designee will update the spreadsheet to indicate which employee received which gift card or certificate and the employee number for the employee.

At the end of each specific incentive program or monthly, whichever is sooner, the department director will provide the Finance Payroll Division with the list of gift cards or certificates which were awarded to employees along with a completed Request for One-Time Payment of Gifts

GIFT CARDS AND CERTIFICATES

Recorded as Taxable Earnings form for each employee. Payroll staff will make a non-cash adjusting entry so that the value of the awards can be recorded in the payroll system as taxable earnings. The adjustment will add to taxable FICA and Withholding tax earnings and calculate the correct taxes on the earnings (which may result in slightly lower net pay for that pay period) but will not add to the employee's gross pay for that pay period.

Weekly, on a random day and time, a department supervisor will check the gift card or certificate inventory against the current Departmental Inventory Tracking Sheet. Any discrepancy must be reported to the department director and the City's Internal Auditor and Director of Finance immediately.

The department will retain the final Inventory Tracking Sheet for the City-sponsored event for twenty-four (24) months.

PURPOSE. This policy provides guidance concerning authorization for travel, allowable costs and rates, requirements for receipts, and instructions for requesting approvals, travel advances, and reimbursements. Policy sections and Appendices consist of:

- I. Policy Statement
- II. Payment of Travel Expenses
- III. Payment of Other Business Expenses
- IV. Payment of Per Diem
- V. Authorization for Exceptions
- VI. Unallowable Expenses
- VII. Procedures for Payment and Forms
- VIII. Penalties for Fraud or Abuse
- IX. Travel Expenses for Prospective Employees

Appendix A – Pre-Authorizations, Current Rates, and Receipts

Appendix B – Instructions for Submitting and Receiving Reimbursements for Travel Expenses

Appendix C – Instructions for Requesting and Settling Travel Advances

Appendix D – Authorized Travel Agencies

Appendix E – Rental Car Contract

Forms – See the Finance Department-Accounts Payable website for the current version of the City’s official Travel Authorization Form, the SAP Travel Expense Statement (generated by SAP TRIP transaction), Itemized Expense Worksheet and the Non-Employee Travel Authorization and Reimbursement Form.

I. Policy Statement

The City of Tacoma will pay reasonable and necessary expenses incurred by its employees while conducting City business. When incurring such expenses, City employees must be sensitive to the public’s expectations of the use of public moneys and the need to use good judgment. For combined business and personal trips, based on the business itinerary/period of travel, the City will pay allowable business expenses incurred during the business portion of the trip. No added costs will be incurred by the City as a result of extending the business trip for personal reasons. The City will not pay unallowable expenses nor will the City pay duplicative, excessive, extravagant, unnecessary or unreasonable expenses. Where payment of expenses is the subject of a collective bargaining agreement, the terms of that agreement will prevail.

The Director of Finance establishes the City’s Travel Policy. This policy will be reviewed periodically and updated as needed. Department Directors and other personnel who have travel approval and administration responsibilities are accountable for policy compliance, travel management, and oversight. This includes appropriate supervisory review of travel requests, relevant procurement card transactions and expense reimbursement claims. Employees who travel are accountable for compliance with the City’s Travel and PCard policies.

II. Payment of Travel Expenses**A. Authorization for Travel**

The City Manager/Deputy City Manager/Director of Utilities will approve all travel and related expenses for Department Directors/TPU Superintendents and determine the appropriate delegation of authority for approving travel and related expenses for other employees in General Government/Public Utilities. No employee may approve his/her own travel expenses. Unless this policy specifically requires the approval of the Director of Finance, travel authority is delegated to the Department Director/Superintendent. Department Directors/Superintendents may, at their discretion, delegate authority to approve travel, expense reimbursements, required pre-authorizations, and any travel exceptions to other management personnel. In a few circumstances cited in this policy, such authority may not be delegated beyond Department Directors/Superintendents.

See Appendix A of this policy for necessary pre-travel authorizations. See Appendix B for instructions on using SAP TRIP to submit expense reimbursements.

B. Procurement Cards (PCard)

The City's PCards may be authorized for employee travel purposes.

Employees who travel frequently can complete an application form to add travel merchant categories codes to their existing cards or acquire a PCard authorized for travel purposes. The supervisor or manager must approve the application. In situations where an employee travels infrequently, the supervisor should contact the Procurement Card Manager prior to the trip and ask that the travel categories be unblocked on the employee's card for the period of time that travel will occur. This reduces the risk on the card and for the City if the card is lost or compromised.

Application forms can be accessed on the Purchasing website at <http://cityweb/Repository/Purchasing/PCard/PCardApplicationUpdate.docx> and sent to the Procurement Card Manager in Purchasing.

The City's Procurement Card Policy authorizes travel purchases as listed below:

Lodging. See Section II (C) below.

Meals. See Section II (D) below.

Airfare or other commercial transportation. See Section II (F) below.

Parking. See Section II (G) below.

Car rental. See Section II (H) below.

Taxi fares. See Section II (H) below.

Fuel for rental cars. See Section II (I) below.

Tolls and ferries. See Section II (J) below.

A PCard approved for travel purposes may be used for making or guaranteeing reservations (e.g. lodging, car rentals).

All permissible travel-related purchases must be accompanied by detailed receipts (not just the credit card slip). In those somewhat rare instances where it is not possible to obtain a detailed receipt or the receipt is lost, the employee should submit a signed statement that the employee requested a detailed receipt, that a detailed receipt was not available or is lost, and provide the appropriate details (amount, date, and business purpose). In addition to regular PCard transaction approval procedures, travel-related PCard purchases, along with supporting detailed receipts, must be reported and reconciled on a signed Itemized Expense Worksheet, even if no employee out-of-pocket expenses were incurred and all travel costs were paid by the City using the PCard. Expenses paid using a PCard must not be entered into SAP TRIP; otherwise a duplicate transaction will occur and the employee will improperly claim and be reimbursed for an expense already paid by the City.

Employees must ensure travel-related PCard purchases fully comply with this policy. In the event that a PCard purchase is unauthorized, the employee must either:

- Call the vendor and have the purchase(s) transferred to his/her personal card, or
- Attach a personal check for the amount of the unauthorized cost to front of the SAP travel packet form.

The Finance Department may revoke PCards for employees who make unauthorized PCard purchases.

C. Lodging

The City will pay actual costs for lodging when employees travel more than 50 miles from their duty station. With the prior approval of the City Manager/Deputy City Manager/Director of Utilities or the Department Director/TPU Superintendent (no further delegation permitted), overnight lodging within the 50-mile radius may be permitted when there are back-to-back evening/early morning business events, when the traffic commute is excessively burdensome, or when overnight lodging at conferences and training seminars is an integral part of the experience.

When traveling on City business, employees are expected to use mid-priced lodging appropriate for business travelers. If mid-priced lodging is not used, the business justification and pre-authorization shall be submitted on the Travel Authorization Form. When making reservations directly with a hotel, through the internet, or via a travel agent, the government or lowest rate should be requested. For conferences or training seminars, the standard room at the conference hotel is appropriate.

Actual costs are limited to the room rate and applicable taxes at the single occupancy rate. Employees must pay any additional amount resulting from bringing family members. When employees share a room, one employee may request reimbursement for the entire amount.

If the employee reserves and personally pays for a hotel 30 days or more in advance of actual travel, reimbursement of the hotel (prior to completion of travel) may be requested, with supporting documentation of the confirmed hotel reservation and payment. When the trip is completed, the Itemized Expense Worksheet must

reference the earlier reimbursement for the hotel so all trip activity and expenses are reported and reconciled. If the employee cancels the reservation after claiming or receiving such reimbursement and does not incur the hotel costs after all, the employee must refund the hotel reimbursement to the City within the stipulated timeline. Failure to settle travel advances within 10 business days after return from travel may be considered a misuse of City funds.

A detailed hotel receipt is required for reimbursement and PCard charges. Credit card receipts do not provide sufficient detail and will not be accepted for this purpose. Internet sites such as Expedia or Priceline may offer better values than those directly available from hotels and traditional travel agencies. However, be alert to any non-refundable reservations. These sites may also directly bill the customer's charge card and the hotel folio (bill) will not reflect the room charge billed by the travel site. When making these type of reservations, print out a copy of the confirmation provided at the time of the internet reservation and submit it along with the hotel folio receipt (confirming the overnight stay), as the source documents for reimbursement. (*Note: Internet sites that charge a membership fee are not authorized for use.*)

When employees choose to use alternative forms of lodging such as campgrounds, rental cabins, etc., the City can pay the actual costs incurred by the employee as evidenced by a receipt as long as it is cost effective to do so.

D. Meals and Personal Expenses

When authorized travel requires lodging, employees are entitled to be reimbursed for actual and reasonable cost of meals and other incidental personal expenses such as laundry, tips, etc., up to a daily maximum amount. The City uses the GSA Meals and Incidental Expenses (see <http://www.gsa.gov/mie>) as the maximum amount allowed for the city/county to which you are traveling. If a city/county is not specifically listed on the GSA website, the lowest M&IE per diem rate in the state must be used as the allowed rate.

Note: The reimbursement for Meals and Personal Expenses is not "Per Diem". Employees are not to automatically claim the maximum allowable per travel day and treat as "Per Diem."

Only actual costs may be claimed for reimbursement and detailed receipts are required. In those somewhat rare instances where it is not possible to obtain a detailed receipt, the employee should submit a signed statement that the employee requested a detailed receipt, that a detailed receipt was not available, and provide the appropriate details (amount, date, and business purpose). PCards may be used for travel-related meals. Employees must provide appropriate documentation to support the expenditures and appropriately enter the expense information on a signed Itemized Expense Worksheet. Expenses paid using a PCard must not be entered into SAP TRIP.

The City will not reimburse for meals already paid by the City (e.g. meals included and paid as part of the conference or training registration fee), unless extenuating circumstances warrant a separate meal (e.g., special dietary needs). When some

meals are already provided for the day, it is a reasonable expectation that an employee's total meal expense for the day will be appropriately reduced from the maximum meal allowance.

PCards authorized for travel may be used for travel-related meals. Employees must provide appropriate documentation to support the expenditures and appropriately enter the expense information on a signed Itemized Expense Worksheet. Expenses paid using a PCard must not be entered into SAP TRIP.

Other business and certain travel expenses described below (Sections II (J) and (K)) are not included in the Meals and Personal Expenses category and will be separately reimbursed on an actual and reasonable cost basis.

E. Personal Phone Calls

In addition to Meals and Personal Expenses, the City will pay the reasonable and actual costs of one personal telephone call per day to allow employees to maintain contact with their families while traveling. The purpose of this provision is to allow the employee to check on family welfare and is not intended to provide for long, personal conversations.

F. Airline, Rail or other Commercial Transportation

Economy coach class airfare is appropriate for most business travel. If economy coach class fare is not used, the business justification and pre-authorization shall be submitted on the Travel Authorization Form. First class accommodations are not normally acceptable and require prior approval from the Department Director/Superintendent.

Airline tickets may be reserved and paid using a PCard authorized for travel purposes. The employee may pay out-of-pocket for airfare and be reimbursed as outlined in this policy. Airfare can also be paid directly by the City and charged by authorized travel agencies to the City's central travel account (Staff may contact Accounts Payable for questions about this option). Ticket issuance fees, if any, and airline fees or penalties for ticket changes will be charged to the employee's cost center as part of the airline ticket costs.

A trip number is automatically assigned when the employee's reimbursement request is entered and saved in SAP. Instructions for booking airline reservations, charging airfare to the City's central travel account and submitting the post-travel Travel Expense Statement (reimbursement request form) are included in Appendix B.

Currently some airlines are charging a fee for each piece of luggage that is checked in prior to boarding. The charge for one bag will be reimbursed by the City or may be paid using a PCard approved for travel purposes. A detailed payment receipt is required. Additional baggage charges and over-weight charges may be reimbursed if circumstances warrant (such as conference presenters who must take additional materials or equipment or travelers to a foreign country who may require additional baggage/equipment). The business justification and pre-authorization shall be submitted on the Travel Authorization Form.

Internet airfares are permissible if determined to be more cost-effective. (*Note: Internet sites that charge a membership fee are not authorized for use.*)

If the employee reserves and personally pays for the internet airfare 30 days or more in advance of actual travel, reimbursement of the airfare (prior to completion of travel) may be requested, with supporting documentation of the confirmed airline reservation and payment of the ticket. When the trip is completed, the Itemized Expense Worksheet must reference the earlier reimbursement for the airfare so all trip activity and expenses are reported and reconciled. If the employee cancels the reservation after claiming or receiving such reimbursement and does not incur the airfare costs after all, the employee must refund the airfare reimbursement to the City within the stipulated timeline. Failure to settle travel advances within 10 business days after return from travel may be considered a misuse of City funds.

Other commercial transportation such as rail or bus is permitted and may be reserved either through the internet, authorized travel agencies, or directly by the employee. Employees can seek reimbursement by completing the Travel Expense Statement in SAP TRIP and submitting their ticket confirmation and payment receipt. A PCard approved for travel purposes may also be used to reserve and pay for such commercial transportation.

When business trips are extended for personal reasons (combined business/personal trip), any added costs for airfare or other commercial fares due to side trips, non-business routes or extended itineraries shall be paid, upfront, by the employee. The employee shall segregate City business costs from any added costs due to personal travel and may charge the business travel portion of the airfare or other commercial fares to a City PCard or to the City's central travel account.

G. Use of Privately Owned Vehicles and Parking

When City employees are authorized to use a privately owned vehicle to travel on City business, the employee will be reimbursed for the actual number of miles traveled at the IRS mileage rate in effect at the time of travel. (The current rate is listed in Appendix A.)

Wherever practicable, employees should ride together to minimize costs. Only one employee is reimbursed for mileage when two or more are riding together. For trips beyond a 400 mile radius from the employee's duty station, mileage reimbursement is limited to the cost of the lowest available airfare (as supported by documentation from an authorized City travel agency or an internet-based travel site like Expedia or Travelocity).

When parking is necessary, it will be reimbursed on an actual cost basis. Receipts are preferred but are not required if the parking lot does not provide receipts. A City PCard, authorized for travel use, can be used to pay for travel-related parking. At minimum, the credit card slip must be provided to support the parking costs paid with a PCard. When traveling from SeaTac Airport, when schedules allow, employees are encouraged to use lower cost, off-site parking facilities and parking lot shuttles to the airport. Some offer unadvertised Government Rates which must be requested.

The City will pay mileage for two round trips to the airport so that employees can be dropped off and picked up when that is more cost effective than to pay parking.

Mileage is calculated from the employee's home or normal duty location, whichever is closest, to the airport or business destination. Airport shuttles are permissible if cost-effective to the City when compared to airport parking and mileage.

H. Rental Cars, Taxis and Other Hired Vehicles

When it is necessary to travel by hired vehicle, employees are expected to choose a rental car company and vehicle which is appropriate for the circumstances and minimizes overall costs to the City. Pre-travel authorization is required for rental cars. City or state contracts (if any) for rental cars should be used where feasible and when least expensive. (See Appendix E for current rental car contract information.) For other rental car companies, Government Rates should be requested.

Employees must not waive the rental car company's liability insurance for bodily injury and property damage (usually provided at no extra cost) and must waive the purchase of collision insurance that covers damage to the vehicle (normally an extra cost). In the event of an accident, the employee's automobile insurance coverage will be primary (check with your insurance agent for appropriate coverage before renting a vehicle) and the employee may be required to pay a deductible. The City will reimburse the employee for the deductible amount and the employee's insurer can seek subrogation.

As authorized in Section II.B above, the City's PCard can be used for paying for rental car expenses and for fuel for the rental car. Unless there are unusual circumstances, the traveler is expected to fill the vehicle before return. If the rental agency adds fuel charges upon return of the vehicle, it is the traveler's responsibility to verify that fuel charges are itemized on the car rental receipt or invoice. Whenever there is partial, personal use of such vehicles, only the pro-rata portion of the costs, including fuel, applicable to City business can be charged to the City.

Employees may be reimbursed for business use of taxis or other commercial transportation by submitting receipts for taxis, and other commercial vehicles (if available). A PCard, approved for travel purposes, may be used to pay for taxis, shuttles, buses, and other hired vehicles.

I. Fuel

Fuel purchases for rental cars used for City business may be reimbursed for actual costs. A PCard, approved for travel purposes, may be used to purchase fuel for rental cars but not for city vehicles or personal cars (even if the vehicle is used for City business). Fuel receipts are required for reimbursement and to document PCard use. If the rental car is used for business and personal use, fuel costs for rental car must be pro-rated between personal and business use. Fuel for City vehicles is covered by policies and procedures managed by the Fleet Division.

Business use of a private car is reimbursed based on mileage per Section II.G.

J. Other Travel-Related Incidentals

Bridge or road toll fees and car/passenger ferry fares are permissible and reimbursed at actual costs. The PCard may be used for payment of these fees if accepted by the merchants. Ferry fare receipts are the preferred documentation, but if they are not available, the credit card slip must be provided to support any PCard purchases.

K. Other Business Expenses While Traveling On City Business

The City will pay for other necessary business expenses incurred while traveling. Examples of such expenses include business telephone calls and/or facsimiles, rental of equipment or facilities necessary to conduct City business, or similar business-related expenses. Receipts are required for such expenses. The City's PCard may be used for such expenses if the purchase is otherwise permissible under the Procurement Card Policy.

III. Payment of Other Business Expenses

A. Meals

The City will pay the costs of meals when employees are attending training in the local area and when it is not practical to expect employees to furnish their own meals. The City may also provide meals to City employees or reimburse employees for the costs of meals when it is in the City's interests to do so. Examples include: staff meetings held during a meal time at the City's convenience, training sessions held in City facilities where time or remote location make it impractical for employees to provide their own meals or other situations where there is a clear business need for the City to pay for the meals. An authorized PCard may be used to pay for the purchase of business meals. In every case, documentation should clearly indicate the purpose of the meeting, the date and time of the meeting, and the names of those who attended. Receipt requires are the same as in Section II (B).

B. Other Expenses

Employees can be reimbursed for other business-related expenses such as conference or training registrations, professional membership dues, etc. when authorized by their supervisor. The Travel Expense Statement, submitted through SAP TRIP, must be used for reimbursement. However, if the reimbursement request is for less than \$100.00, Petty Cash may be used for reimbursement. The City's PCard may be used to directly pay for such purchases. Payments via PCard may not be reimbursed through SAP TRIP, Petty Cash, Miscellaneous Invoice Payment, or standard Purchase Order processes.

IV. Payment of Per Diem

Per Diem is defined by this section as a fixed daily allowance (as opposed to actual expenses) intended as reimbursement for expenses associated with conducting City business. Per Diem is paid through the Payroll system and, for tax purposes, is added to gross wages and becomes subject to all withholding taxes. The current Per Diem rate is listed in Appendix A.

Per Diem is authorized only for the Mayor and City Council Members when performing City business beyond their normal duties. Examples include: serving as the City's representative at ceremonial functions, representing the City as a member of a regional government, attending special training seminars or conferences, testifying on behalf of the City at Legislative hearings, or similar kinds of activities. Per Diem must be claimed within a reasonable period. Per Diem shall be reduced by the amount of any reimbursement received from any other jurisdiction or agency for the same day.

Per Diem may also be authorized by the City Manager/Deputy City Manager/Director of Utilities for other City employees where circumstances warrant. Such authorization will be by memo to the Director of Finance.

V. Authorization for Exceptions

No policy can anticipate and provide for all possible circumstances. Consistent with the Policy Statement, the City Manager/Deputy City Manager/Director of Utilities, or the Department Directors/TPU Superintendents (no further delegation allowed), may authorize exceptions to any rates or restrictions imposed by this policy. Such authorization shall be by memo addressed to the Director of Finance in advance of the travel, describing the circumstances justifying an exception to the policy and specifically identifying the exception to be authorized. Receipts and itemization are required when requesting reimbursement for amounts that are authorized as exceptions to the standard rates.

VI. Unallowable Expenses

Regardless of any other provisions of this policy, the following cannot be paid or reimbursed using City moneys, including payment using the PCard:

- ◆ Alcoholic drinks
- ◆ Entertainment except as part of a conference or training program that is included in the overall registration fee for all participants
- ◆ Gifts unless *de minimus* in value (\$100 or less) and authorized by the City Manager, Deputy City Manager or Director of Utilities
- ◆ Theft, loss or damage to personal property except as authorized by the City's Risk Manager or as provided by collective bargaining agreements
- ◆ Airline or other trip insurance
- ◆ Any other expenses unrelated to City business
- ◆ Duplicate payments
- ◆ Costs associated with the personal portion of a combined business/personal trip or extension of the business trip for personal reasons

VII. Procedures for Payment and Forms

A. Forms

The current Travel Authorization Form and instructions for its use are available at Cityweb/Departments/Finance/Accounts Payable/Travel Policy and must be used to pre-authorize the trip. The form may also be obtained directly from the Accounts Payable Section.

(Note: Accounts Payable cannot accept outdated versions of the form or other forms submitted in lieu of the City's current, official forms.)

The SAP Travel Expense Statement, accessed in SAP TRIP, is the form used to submit a reimbursement claim after completion of travel.

Travel that includes part or all expenses paid by the City (e.g. PCard, Central Airfare Travel Account, Purchase Order, Miscellaneous Invoice Payment) and employee out-of-pocket expenses must be reported and reconciled on the Itemized Expense Worksheet. However, only employee out-of-pocket expenses are to be entered into SAP TRIP for reimbursement.

The Itemized Expense Worksheet is used to report and reconcile all expenses - both expenses paid by the City and out-of-pocket expenses paid by the traveler. Only employee out-of-pocket expenses are to be entered into SAP TRIP for reimbursement.

Use the Non-Employee Travel Authorization and Reimbursement Form to reimburse employment applicants for approved travel-related expenses. The form is available on the website (Cityweb/Departments/Finance/Accounts Payable/Travel Policy and Forms) or from Accounts Payable.

B. Reimbursement

See Appendix B for instructions on how to submit the SAP Travel Expense Statement after travel. Post-trip reimbursement processing is completed through TRIP in SAP. Where receipts are required, the receipts (not credit card receipts) are to be stapled to the form. Transactions that use the PCard for part or all payments will need to be summarized on the Itemized Expense Worksheet. Where special authorizations are required, the pre-authorization is to be attached to the form.

Note: In all cases, the SAP Travel Expense Statement must be printed after entering expense information in SAP, then signed, and submitted with accompanying documentation (see Appendix B) to the approver and then to Accounts Payable. This is necessary even if there are no applicable receipts. This documentation must be retained with the reimbursement payment records in Accounts Payable. The approver should wait for receipt of this supporting information to properly review and release the expense claim in SAP TRIP. Then, sign the expense statement as approver and promptly forward the documentation package to Accounts Payable within ten (10) business days of approving the reimbursement in SAP TRIP.

Employee reimbursement will be paid when trip information has been entered into SAP TRIP, appropriate SAP TRIP approvals have been made, and supporting documentation has been received in Accounts Payable.

Reimbursement claims should be submitted no later than 20 days (within 10 business days if the employee received a travel advance) after completion of travel. However, employees are encouraged to submit claims for reimbursement on a timely basis as receipts are easily misplaced and lost receipts will delay payment of claims.

Expense reimbursement claims must be submitted before the close of the fiscal period so that the City's financial statements are accurately reported.

Contact Accounts Payable for assistance concerning non-employee reimbursements (e.g. prospective employees). The Miscellaneous Invoice Payment process will be used.

C. Petty Cash Reimbursements

Employees may use the petty cash procedure for small, infrequent reimbursements of \$100 or less. Receipts or other supporting documentation are necessary. However, when travel advances, direct payments for some portion of the trip have been paid by the City (e.g., airfare), or overnight lodging is involved, petty cash may not be used.

D. Travel Advances

When necessary, the City can provide employees with moneys in advance of their trip. See Appendix C for requesting and settling travel advances. To comply with state law, the City requires employees who received a travel advance to submit an expense reimbursement claim within ten (10) business days of travel completion. No new advances will be approved if the employee has not yet settled an outstanding completed trip within the required timeline.

VIII. Penalties for Fraud or Abuse

City employees who are found to have falsely claimed expenses under these policies are subject to disciplinary actions as provided for in the City's Personnel Policies which may include termination from City employment. In addition to these penalties, state law provides that any person intentionally submitting a false claim is guilty of perjury in the second degree. State and City laws may also provide for additional penalties for theft.

Any City employee who becomes aware of any fraudulent or abusive claims should inform their supervisor or contact the Internal Auditor, Risk Manager, and Director of Finance. If the employee wishes to remain anonymous, he/she may contact the Legal Department for instructions on the City's "Whistleblower" program.

IX. Travel Expenses for Prospective Employees

Travel costs incurred by candidates who interview for City employment may be reimbursed, if pre-approved by the City Manager/Deputy City Manager/Director of Utilities or Department Directors/TPU Superintendents (no further delegation permitted). Only costs normally allowable to an employee are permitted for candidates, subject to the same rates and requirements for receipts, unless an exception has been approved. It is permissible for City staff to make airline, lodging and/or rental car arrangements for the prospective employee to access Government or contract rates. A City PCard approved for travel purposes may be used to purchase and pay for travel-related expenses on behalf of a prospective employee, provided the expense is of the nature permitted per the Travel Policy and the Procurement Card Policy. The prospective employee's travel expenses will be paid as a Miscellaneous Invoice instead of payment through SAP TRIP, using the Non-Employee Travel Authorization and Reimbursement

Form. All prospective employees' travel purchases, along with supporting detailed receipts, must be reported and reconciled on a signed Itemized Expense Worksheet. Be sure to carefully review for City paid expenses and out-of-pocket expenses to avoid duplicate or overpayments. For assistance, please contact Accounts Payable.

FORMS

The following forms may be obtained on the Finance Department-Accounts Payable website:

- Travel Authorization Form
- Non-Employees Travel Authorization and Reimbursement Form
- SAP Travel Expense Statement (generated in SAP TRIP)
- Itemized Expense Worksheet

CONTACTS

For questions and assistance, contact Accounts Payable, at 502-8483.

**City of Tacoma
TRAVEL POLICY AND PROCEDURES**

APPENDIX A: PRE-AUTHORIZATIONS, CURRENT RATES, AND RECEIPTS

The following are the rates in effect as of January 1, 2009. Rates are subject to change so be sure to use current rates when planning travel and requesting payment of expenses. A full

<u>Item Description</u>	<u>Pre-Approvals Needed?</u> (5)	<u>Allowable Amount</u>	<u>Receipt?</u>	<u>PCard?</u>
Airline Tickets	Yes – Part of trip pre-authorization	Actual costs	Yes	Yes
Meals and Personal Expenses	Yes – Part of trip pre-authorization	Actual costs up to GSA maximum rate for the area (see http://www.gsa.gov/mie)	Yes (1)	Yes
Lodging	Yes – Part of trip pre-authorization	Actual Cost	Yes (2)	Yes
Use of Privately Owned Vehicles:	No, for local travel; Yes, if outside of 400 mile radius	IRS mileage rate	No	No
Per Diem (Mayor and Council only)	No	\$50 per day	No	No
Telephone Call to Family	No	Actual and reasonable costs	No	No
Business Expenses/Telephone Calls	No	Actual Costs	Yes	Yes
Parking	No, but include in trip pre-authorization if available	Actual Costs	Yes (3)	Yes
Taxis and Other Commercial Vehicles	No, but include in trip pre-authorization if available	Actual Costs	Yes (3)	Yes
Rental Cars	Yes – Part of trip pre-authorization	Actual Costs	Yes	Yes
Fuel for Rental Cars	No, provided car rental itself is pre-authorized	Actual Costs	Yes	Yes
Bridge/road rolls; ferry fares	No	Actual Costs	Yes (4)	Yes

explanation of each item is included in the Policy.

- 1) This is **NOT** per diem. See policy for details. Itemization, receipts, and pre-approval documentation are required. Receipts are also required for PCard purchases.
- 2) See policy for instructions for internet reservations.
- 3) Receipts required if available.
- 4) Receipts are required for ferry fares only.
- 5) Pre-approvals, when required, are obtained prior to the trip and then submitted as part of the trip documentation for post-trip reimbursement processing.

City of Tacoma
TRAVEL POLICY AND PROCEDURES

**APPENDIX B – INSTRUCTIONS FOR SUBMITTING AND
RECEIVING REIMBURSEMENT FOR TRAVEL EXPENSES**

1. All employee travel reimbursements must be submitted through SAP using the transaction TRIP. PCard transactions should not be entered into SAP TRIP but should be summarized on the Itemized Expense Worksheet. Small, infrequent reimbursements under \$100 may be paid using Petty Cash, if no travel advances, lodging, or direct travel payments for any portion of the trip have been paid.
2. If a Travel Advance was received prior to departure (see Appendix C), you must enter all travel-related expenses into SAP using the exact same SAP “TRIP” number that was assigned when the Travel Advance was issued. You will receive notice of the Travel Advance and TRIP number by e-mail approximately five days before your first travel date.
3. When entering travel expenses into SAP TRIP, some activities require special attention:
 - a. Enter airfare, hotel, meals, shuttles, car rental, etc. separately. Costs of meals are to be entered for each day and not lumped for the entire trip. Airfare ticketing fees, if any, should be included in the airfare. Airfare paid by the City using an authorized travel agent or put on the PCard is automatically charged to your department either through the City Travel Account Card or approved in XiBuy.
 - b. Conference registration fees should only be entered into TRIP if the registration was paid by the employee. If the City pre-paid the registration, do not enter the registration cost into TRIP.
4. Accounting allocations can be changed for the entire TRIP by using the “Alternate Cost Assignment for Entire Trip” button or for individual receipts by using the “Alternate Expense Receipt Cost Assignment” button.
5. When all out-of-pocket expense receipts have been entered into TRIP, the Travel Expense Statement should be checked by clicking on the “Results” button in the upper left hand corner. If everything looks correct, the TRIP must be saved before the Travel Expense Statement is printed. To do this, click on the green “Back” button, then click on the “Save” button to save your travel expense worksheet. Next click on the “Results” button again and print the Travel Expense Statement. Employees must sign and date the Travel Expense Statement form, attach all receipts, and forward to their travel approver for signature and SAP approval. By clicking on ‘Save’, the reimbursement request is electronically forwarded to their supervisor.
6. To provide an effective review of a travel expense reimbursement request, the approver will need the signed and dated Travel Expense Statement printed in step # 5 above along with all required expense receipts, the original signed Travel Authorization Form, and the Itemized Expense Worksheet. When the supervisor has reviewed the expenses, receipts, and the reimbursement request in his/her SAP inbox and approved them, he/she then signs the Travel Expense Statement on the bottom and promptly forwards the entire package of receipts and documentation to Accounts Payable for review and storage. The approver authorizes the reimbursement payment and is responsible for compliance with the City’s

Travel Policy.

Note: In all cases, the documentation package must be forwarded to Accounts Payable within ten (10) business days of approving the expense reimbursement in SAP.

7. Employee reimbursement will be paid when trip information has been entered into SAP TRIP, appropriate SAP TRIP approvals have been made, and supporting documentation has been received in Accounts Payable.

City of Tacoma
TRAVEL POLICY AND PROCEDURES

APPENDIX C – INSTRUCTIONS FOR REQUESTING AND SETTLING TRAVEL ADVANCES

1. Employees who travel for the City are reimbursed for actual and reasonable allowable costs incurred subject to some maximum rates. Alternatively, employees may request a Travel Advance for eligible expenses.
2. Expenses that are eligible for a Travel Advance are as follows: 1) Airfare paid by the employee, 2) hotel accommodations paid by the employee, 3) meals and personal expenses, 4) shuttles/taxis and 5) other misc. business expenses. Expenses that are prepaid by the City are not eligible for a Travel Advance. Eligible PCard expenses (airfare, hotel, meals, rental car etc.) should be excluded from your Travel Advance request.
3. All Travel Advances will be issued by Accounts Payable and paid through SAP. Travel Advances must be requested at least ten (10) business days before departure to assure processing time for the advance.
4. To request a Travel Advance, an employee must complete a Travel Authorization Form found on the Accounts Payable web page. This pre-approval form must be completed including estimated expenses and signed by both the employee and the designated travel approver.
5. Once completed and signed, the Travel Authorization Form is faxed to Accounts Payable at 502-8030.
6. Upon approval, a Travel Advance will be paid approximately five days before departure. When the Travel Advance is paid, SAP issues a separate TRIP number which will be used after your return to obtain out-of-pocket expense reimbursement. A notification e-mail from Accounts Payable with the SAP TRIP number will be sent to the traveler. The Travel Advance will be either directly deposited into the travelers' bank account or a check will be issued and sent by US Mail.
7. After the traveler returns, the Travel Advance must be offset against the related expenses and settled within ten (10) business days. To settle the TRIP, the employee must gather all receipts and then open TRIP using the exact same TRIP number that was e-mailed by Accounts Payable when the Travel Advance was issued.
8. No new advances will be approved if the employee has not yet settled an outstanding, completed trip within the required timeline.
9. For an explanation of how to enter the travel expenses, see Appendix B.

**City of Tacoma
TRAVEL POLICY AND PROCEDURES**

APPENDIX D – AUTHORIZED TRAVEL AGENCIES

Doug Fox Travel
4020 South Steele Street # 101
Tacoma, WA 98409
253-472-9681

Kurt Mayer's Wanderlust Travel
312 South 112th Street
Tacoma, WA 98444
253-535-5200

Thomson Travel and Cruise (formerly All Wanderlands Travel)
Bank of America Building
820 A Street, Suite 500
Tacoma, WA 98402
253-627-8221

Travel Leaders (formerly Carlson Wagonlit Travel)
1142 Broadway, #100
Tacoma, WA 98402
253-617-7210

**City of Tacoma
TRAVEL POLICY AND PROCEDURES**

APPENDIX E – RENTAL CAR CONTRACT

The City Travel Policy allows employees to choose the car rental agency with the best available car that meets your business needs, in the location where they are traveling, and that has the best rates for the City. Very competitive rates are available by searching internet travel sites such as Priceline, Orbitz, Travelocity, etc.

Currently, the City does not have its own rental car contract but employees who travel and need a rental car may wish to check the Washington state rental car contract to compare rates. The state contract is with Enterprise Car Rental, Washington State Contract No. 05104.

The Enterprise website is: <http://www.enterprise.com>. When inquiring about rates with Enterprise Car Rental, be sure to reference the City of Tacoma corporate account number

Corporate number - 45WA708
Pin number - WAS

To view the state contract itself, you can link to information on the state website at:
<http://www.ga.wa.gov/pca/contract/05104c.doc>.

For questions, contact Accounts Payable at 502-8483.

XXV. APPENDICES

- A. Glossary
- B. Matrix of Purchasing Types
- C. Forms, Templates and Documents (See Purchasing intranet site)
- D. SAP (See Purchasing intranet site)
 - 1. Purchase Requisition – "Tips – Creating Purchase Requisitions"
 - 2. Purchase Requisition Workflow and Release Strategies
 - 3. Purchase Order - Information needed to create; Tips
 - 4. Reports
 - 5. Roles

APPENDIX A. GLOSSARY

As with many professions, public procurement has its own language that we use to talk among ourselves. This glossary is offered as a tool for clearer communication as we interact with contractors, suppliers, and each other.

All or nothing award – 1) A method of award resulting from a Competitive Solicitation by which the purchasing activity will award the resulting Contract to a single Bidder. ([236-48-003 WAC](#))

2) A designation the Bidder may use in its Bid or response to indicate its offer is contingent upon full award and it will not accept a partial award.

Alternate – 1) A substitute offer of goods and services that is not at least a functional equal in features, performance and use and which materially deviates from one or more of the specifications in a competitive solicitation. ([236-48-003 WAC](#))

2) A bid submitted in knowing variance from the specifications, terms, conditions or provisions of the solicitation. Such a bid is acceptable only when the variance is deemed immaterial.

Amendment – An agreement between the parties to change the Contract after it is fully signed by both parties. Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change.

Apparent Low Bidder – The Bidder that appears to have submitted the lowest price bid in response to a Request for Bids. Once Bidder Responsibility criteria have been evaluated, the ranking of Bidders may change.

Architectural and Engineering (A&E) services – Professional services within the scope of the practice of architecture and professional engineering, typically involving research, design, and development. In Washington, A&E services also include land surveyors and landscape architects. A&E services are defined and governed by 39.80 RCW.

Architectural and Engineering (A&E) Roster – In lieu of individual solicitations, Tacoma departments/divisions may use the citywide architectural and engineering roster to contract architects, engineers, land surveyors and landscape architects. These contracts are not separately advertised and specifically exclude those projects with state or federal funding that require the use of Washington State Department of Transportation (WSDOT) Local Agency Guidelines (LAG)). A&E services are defined and governed by 39.80 RCW.

Assignment of Agreement – The transfer of rights held by one party—the **assignor**—to another party—the **assignee**. The legal nature of the assignment determines some additional rights and liabilities that accompany the act. Assignment of Agreement can include property rights, partnership rights, and intellectual property rights. Contact the Legal Department regarding assignment of agreement contracts.

Bid bond – A guaranty by a bonding company that the bidder will enter into a contract with the owner if awarded the project. Normally, these bonds are in the amount of five percent of the amount bid, and they serve to compensate an owner if a bidder fails to enter into a contract if awarded the contract.

Bid evaluation - The process of examining a Bid after opening to determine the Bidder's Responsibility, responsiveness to requirements, and to ascertain other characteristics of the Bid that relate to determination of the successful Bidder.

Bidder – see Respondent.

Bonding company – Also known as a surety, or surety company.

C&A Board – See Contracts and Awards Board.

C&A letter – A required document submitted to Purchasing by departments/divisions to have procurement transactions added to the City Council or Public Utility Board agendas. C&A letter templates are available on the Purchasing intranet site. See Contracts and Awards Board.

City – City of Tacoma as a public entity. Includes all General Government departments and Tacoma Public Utilities divisions.

Competitive negotiation – The method of acquiring Supplies or Services in which discussion or negotiations may be conducted with Responsible Respondents as part of a Request for Proposals, resulting in contract award.

Citywide contact – Contracts for common use items, such as office supplies, that are administered by Purchasing, and available for use by all GG departments and TPU divisions. Departments/Divisions create purchase requisitions against citywide contracts by referencing (linking) them to the SAP contract, or when allowed, purchases are made via P-Card. Citywide contracts are listed on the Purchasing intranet site.

Construction contract – Standard one-page contract used for public works and improvements projects.

Contract - Any type of legally binding agreement, regardless of form or title, that governs the terms and conditions for procurement of supplies, services, public works, or for the sale of surplus property. Contracts include the terms and conditions found in specifications, bidder or respondent submittals, and purchase orders issued by the City. Also sometimes referred to as a "legal" contract (as opposed to a SAP contract).

Contracts and Awards Board (C&A Board) – The C&A Board recommends award or rejection of all purchases and contracts (except real estate transactions) over \$200,000 prior to City Council or Public Utility Board action. C&A Board review includes requests for non-competitive purchases and contracts (e.g., emergency, sole source, etc.), and consideration of vendor protests. Purchases and contract award recommendations \$200,000 or less are not reviewed by the C&A Board.

Contractor – The Respondent(s) awarded a contract pursuant to a Specification, whether designated as a Respondent, vendor, proposer, Bidder, seller, merchant, service provider or otherwise.

Davis-Bacon and Related Acts – United States law that requires all contractors and subcontractors performing work on federal or District of Columbia construction contracts or federally assisted contracts in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. The prevailing wage rates and fringe benefits are determined by the Secretary of Labor and must be included in the specification documents.

Department/Division – General Government department or TPU division.

Direct solicitation and negotiation – A waiver of competitive solicitation for Professional Services or Personal Services.

Fixed Asset – Anything with an initial purchase price over \$5,000 and a useful life of one year or more. (This is a City of Tacoma definition.)

Formal bid process – See sealed competitive process.

Historically Under Utilized Businesses – See HUB.

HUB (Historically Under Utilized Businesses) – The City of Tacoma program that affords opportunities for full participation in our free enterprise system to historically under-utilized businesses. Chapter 1.07 of the Tacoma Municipal Code authorizes the adoption of rules and regulations in conformance with City of Tacoma mandates and state and federal laws designed to encourage the achievement of goals for HUB.

NOTE: Projects/contracts that have an outside funding source, such as federal or state monies, or are governed by external regulations or guidelines, may prohibit the inclusion City program requirements, and may therefore be excluded from the HUB program.

Informal Requests for Bids – Also known as informal bids and the informal competitive solicitation process. Solicitation announcements are posted to Purchasing's Internet site (www.tacomapurchasing.org) but are not required to be advertised in the City's official newspaper. Informal bids are most commonly used for supplies, purchased services and public works and improvements.

Interagency agreement – Any agreement solely between public agencies. Approved interagency agreements must be in place prior to the purchase. Also known as a Memorandum of Agreement.

Interlocal purchase – Purchases made using another public entity's competitively procured contract. Approved interlocal agreement must be in place prior to the procurement. Also, called "piggy backing."

LEAP (Local Employment and Apprenticeship Program) – [LEAP](#) is a mandatory City of Tacoma Program that requires the prime contractor performing a qualifying public works and improvements project to ensure that 15 percent of the total labor hours worked on the project are performed by Pierce County apprentices approved by the Washington State Apprenticeship Council and/or residents of Tacoma. The 15 percent labor hour goal is known as the LEAP Utilization Goal (LUG). A mandatory sub goal requires the prime contractor to ensure that 25 percent of the LUG is performed by residents of the City of Tacoma's Renewal Community and/or City designated "Target Area." LEAP is required on the following project types, though are applicable on a case-by-case basis:

- Civil projects over \$250,000 (e.g., water main replacements, sewer installations, street pavement, etc.),
- Building projects over \$750,000 (e.g., Convention Center, police headquarters, etc.),
- Service contracts relating to a public works or improvements that use labor at a City site (e.g., annual flagging contract).

NOTE: Projects/contracts that have an outside funding source, such as federal or state monies, or are governed by external regulations or guidelines, may prohibit the inclusion City program requirements, and may therefore be excluded from the LEAP program.

Local Employment and Apprenticeship Program – See LEAP.

Lowest and best responsible bidder - The Bidder submitting the lowest Bid that is within the range of acceptable bids, that also has the ability to timely perform the Contract considering such factors as financial resources, skills, quality of materials, past work record, and ability to comply with state, federal, and local requirements, including those set forth in the HUB Regulations.

MIGO - SAP transaction confirming receipt of supplies ordered by purchase order. A goods receipt. A MIGO in effect gives Accounts Payable the okay to pay.

Ordinary maintenance – Regularly scheduled work that is performed by the agency (City staff) itself.

Owner – The City of Tacoma (or any agency).

PCard – See procurement card.

Payment bond – A bond issued by a bonding company guaranteeing that the bonding company will ensure that a contractor will pay its subcontractors and suppliers. This bond is normally in the amount of 100 percent of the amount of the contract award. [RCW 39.08](#)

Performance bond – This bond is often issued in conjunction with a Payment Bond and thus the bond serves a dual purpose guaranteeing both payment and that the contractor will perform and complete the work. If the contractor fails to perform and complete the project, an owner may turn to the bonding company to have them complete the work through hiring a contractor. Also known as a surety bond. [RCW 39.08](#)

Personal property – Property owned by an individual or business that is not affixed to or associated with the land. Basically, personal property is everything except real estate (see real property). Personal property is moveable while real property is not.

Personal services – Non-Public Works services for which Submittals are evaluated on the basis of defined performance criteria in addition to price and satisfaction of minimum qualification criteria. May also be defined as an intellectual exercise that requires expertise/certification/training and results in a report rather than delivery of a product or physical labor. Examples include executive recruitment, facilities planning, training, management consulting, translation services, and software maintenance.

Planholders list (aka bid holders list) – The list of vendors who ‘hold’ the specifications and plans for a particular competitive solicitation. For Tacoma, this is a self-registration process that vendors complete from the City’s [Current Contracting Opportunities](#) website. Prospective bidders/proposers **must** register at this website for each solicitation of interest in order to receive notice of addendums, announcements or other updates.

Prevailing wages – The hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers, laborers and mechanics. Prevailing wage rates are established by the Department of Labor and Industries twice a year for each trade and occupation. They are established separately for each county, and are reflective of local wage conditions. A link to, or a copy of, the applicable prevailing wage rates on the L&I website must be included in public works and improvements solicitations.

Procurement Card (PCard; Purchase Card) – A City issued credit card.

Professional Services – Services requiring a license, special certification, advanced training, extensive education, etc. Examples include architectural services, engineering services, land surveyor, landscape architect, and legal services.

Professional Services Contract – Standard contract for professional, personal and consultant services.

Public Agency – As defined in [236-48-003 WAC](#). Shall include all agencies outlined under RCW [39.34.020](#).

Public Bid Opening – The process of opening submittals conducted at the time and place specified in the Request for Bids/Request for Proposals/Request for Qualifications and/or the advertisement, and in the presence of anyone who wishes to attend.

Public Works / Public Works and Improvements (PWI) – Defined by the Department of Labor and Industries as all work, construction, alteration, repair or improvement that is executed at the cost of a public agency. Includes, but is not limited to, demolition, remodeling, renovation, road construction, building construction, ferry construction, utilities construction and building

maintenance services, including janitorial. Also applies to maintenance services performed by contract, and the production and delivery of certain materials (such as sand, gravel, concrete and similar products). Bidding for PWI involves specific state requirements. RCW 39.04.010.

Purchase order (PO) – Purchaser's written document provided to a vendor formalizing terms and conditions of a proposed procurement transaction, such as description of the requested supplies or services, delivery schedule and freight terms, and payment terms.

Purchased Services – Non-Public Works services for which Submittals may be evaluated merely on the basis of price and satisfaction of minimum qualification criteria. Purchased services are typically procured through the use of an Informal Bid, sealed Request for Bids or Request for Proposals, unless a waiver of competitive solicitation applies.

Purchased services are those provided by a vendor to accomplish routine, continuing and necessary functions. Examples include services for equipment maintenance and repair, operation of a physical plant, security, and computer hardware. Generally, these services meet more routine needs of an agency for general support activities.

Purchase requisition (PR) – Request to obtain supplies or services and authority to commit funds to cover the purchase. PRs are used to create purchase orders.

Real property – Land and buildings and anything affixed to the land; real estate.

Request for Bids (RFB) – A solicitation method by which purchases of Supplies, Services and Public Works, as well as offers to purchase personal property, where price is the primary evaluation factor, in conformity with the Specifications and other written terms and conditions advertised by the City. RFBs may be sealed or unsealed (see Informal Request for Bids).

Request for Information (RFI) – A method used to gather information about a products or services, commonly done in advance of an RFP.

Request for Proposals (RFP) – A solicitation method by which purchases of Supplies, Services and in limited circumstances, Public Works, are made by Competitive Negotiation, in conformity with the Specifications and other written terms and conditions advertised by the City.

RFPs are used to solicit written proposals from potential suppliers. Both cost and non-cost factors are evaluated in addition to conditions of responsiveness and responsibility to achieve best value. A selection advisory committee is typically formed to evaluate the submittals. A weighted point assignment method of evaluation is often used, as well. RFPs are conducted as sealed solicitations.

Request for Qualifications (RFQ) – A solicitation method most commonly used for the procurement of architectural and engineering services per 39.80 RCW. Price is not a factor in the evaluation of qualifications. RFQs are conducted as sealed solicitations.

Respondent – Any entity or person, other than a City employee, that provides a submittal in response to a Request for Bids, Request for Proposals, Request for Qualifications, Request for Quotations or other request for information. This term includes any such entity or person whether designated as a supplier, seller, vendor, proposer, Bidder, contractor, consultant, merchant, service provider or otherwise.

Responsible - The Respondent has the capability in all respects to fully perform the Contract requirements, and has the integrity and reliability that will assure good faith performance. Consideration must be given to compliance with the criteria stated in TMC 1.06.262. and 1.06.263 (when included in the solicitation). For PWI solicitations, further consideration must be given to state responsibility criteria or supplemental criteria set forth in RCW, and other applicable City program requirements such as HUB and LEAP.

Responsible bidder or respondent - A person, firm, or entity that has the capability in all respects to fully perform the Contract requirements, and the integrity and reliability, which will assure good faith performance, and meets the elements of responsibility as defined in Tacoma Municipal Code and RCW.

Responsive – Responsiveness to requirements of the specification. The submittal conforms in all material respects to the terms and conditions, the specifications, and other requirements of a solicitation. For example, the submittal was received by the due date and none of the required documents were omitted.

Retainage – Payment held (retained) as required by state law on a public works contract until all contract close out requirements have been met.

Retainage bond – This bond may be submitted by a contractor in lieu of the owner withholding five percent of each progress payment to the contractor for Retainage. The bonding company guarantees to pay any claims that would otherwise be due under actual retainage withheld by the owner. RCW 60.28

Sale – The disposition of City Surplus property by bid, auction or negotiation process.

SAP contract – A document type within SAP used as a tracking tool. Purchase requisitions are written referencing (linking them to) SAP contracts. SAP contracts are not legally binding agreements.

Sealed solicitations – Also known as the sealed competitive process and the formal bid process. Requires advertising in the City's official newspaper (currently, the Tacoma Daily Index) if over \$200,000. Solicitation announcements are posted to Purchasing's Internet site (www.tacomapurchasing.org).

Services – Includes Professional Services, Personal Services, and Purchased Services. Excludes Non-Public Works Services.

SES – Services entry sheet. SAP transaction confirming receipt of services ordered by purchase order. An SES effectively gives Accounts Payable the okay to pay.

Small Work Roster – Alternate public works process defined by state law that allows for streamlined bidding process of smaller public works and improvements projects. Governed by RCW and Tacoma Municipal Code. Limited to projects \$200,000 or less.

SOS – Statement of Services contract. Standard short-form contract that may be used in lieu of a traditional contract for professional and personal services \$25,000 and less.

Specification – the entirety of solicitation documents, i.e., the complete request for bids, request for proposals or request for qualifications.

Specification number (aka bid number) – unique number assigned to identify and track each competitive solicitation. "[Spec numbers](#)" are assigned from a link on the Purchasing website.

Statement of Services – See SOS.

Supplies – Materials, goods, products, provisions, equipment or other items not considered Services or Public Works.

Supply contract – Standard one-page contract occasionally used for some supply contracts.

Surplus – Supplies no longer needed by the City.

TPU – Tacoma Public Utilities.

Vendor – One who sells good or services.

Waiver – Emergency, sole source, impracticable to bid or direct solicitation and negotiation of professional services and personal services.

B. Procurement Matrix

The following Procurement Matrix and Competitive Solicitation procedures are intended to assist City staff and ensure compliance with Purchasing Code requirements. The Procurement Matrix provides an overview of the processes and authorizations required for procurement of supplies, public work and improvements, and services. For more detailed information, review the topic in the text of the Purchasing Policy Manual.

Procurement Matrix

Supplies (Goods and Materials)	Methodology	Process Requirements	Authorization
\$5,000 or less – one time purchase	None	<ul style="list-style-type: none"> ▪ Purchase requisition ▪ Purchase order ▪ Procurement card 	<p>PR approved through SAP workflow only if capital accounting is used</p> <p>The purchase order typically serves as the contract</p>
>\$5,000 - \$25,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Three written quotes ▪ Informal Request for Bids (RFB) or Request for Proposals (RFP) ▪ Interlocal ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form (instructions in PR “header notes” okay for three written quotes only) ▪ Informal RFB or RFP ▪ Bid bond optional; performance bond optional ▪ Prevailing wages may be required in some cases ▪ Posted on Purchasing Internet website if bid or RFP is used ▪ SAP contract if supplies received over a period of time ▪ Purchase requisition ▪ Purchase order ▪ Procurement card with prior authorization <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>PR may or may not be approved through SAP workflow depending on release strategy</p> <p>The purchase order, in conjunction with the solicitation documents, typically serve as the contract, though a legal contract may be advisable in certain situations</p>
>\$25,000 - \$200,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Informal Request for Bids (RFB) or Request for Proposals (RFP) ▪ Interlocal ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ Informal RFB or RFP ▪ Posted on Purchasing Internet website ▪ Bid bond optional; performance bond optional ▪ Prevailing wages may be required in some cases ▪ SAP contract if supplies received over a period of time ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>PR may or may not be approved through SAP workflow depending on release strategy</p> <p>The purchase order, in conjunction with the solicitation documents, typically serve as the contract, though a legal contract may be advisable in certain situations</p> <p>Special reporting requirements of Purchasing for purchases \$50,001-\$200,000</p>

Procurement Matrix

<p>>\$200,000</p>	<p>Either:</p> <ul style="list-style-type: none"> ▪ Request for Bids (RFB) or Request for Proposals (RFP) ▪ Interlocal ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ Sealed RFB or RFP ▪ Posted on Purchasing Internet website ▪ Advertised in City's official newspaper ▪ Bid bond optional; performance bond optional ▪ Prevailing wages may be required in some cases ▪ C&A letter ▪ City Council or Public Utility Board approval ▪ SAP contract if supplies received over a period of time ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Council or PUB Approval</p> <p>PR approved through SAP workflow</p> <p>The purchase order, in conjunction with the solicitation documents, typically serve as the contract, though a legal contract may be advisable in certain situations</p>
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<p>Public Work and Improvement (construction/labor type)</p>	<p>Methodology</p>	<p>Process Requirements</p>	<p>Authorization</p>
<p>\$5,000 or less – one time purchase</p>	<p>None, however, purchase must be conducted by Purchasing staff</p>	<ul style="list-style-type: none"> ▪ Bid bond optional ▪ Prevailing wages – Retainage held or retainage bond ▪ Insurance ▪ Performance bond or 50 percent retainage ▪ Construction contract if performance bond is used ▪ SAP contract if construction contract is used ▪ Purchase requisition ▪ Purchase order 	<p>PR approved through SAP work-flow only if capital accounting is used</p> <p>Purchasing creates PO due to special requirements</p> <p>Purchase order, in conjunction with the solicitation documents, may serve as the contract</p>

Procurement Matrix

Public Work and Improvement (construction/labor type)	Methodology	Process Requirements	Authorization
<p>>\$5,000 - \$200,000</p>	<p>Either:</p> <ul style="list-style-type: none"> ▪ Informal Request for Bids (RFB) ▪ Sealed Request for Bids (RFB) ▪ Request for Proposals (RFP) ▪ Small Works Roster (SWR) <ul style="list-style-type: none"> ▪ Limited by TMC to \$200,000 or less ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ RFB (may or may not be sealed) or RFP ▪ HUB requirements if over \$25,000 ▪ Posted on Purchasing Internet website (except SWR bids) ▪ Bid bond if over \$35,000; optional if \$35,000 or less ▪ Performance bond if over \$35,000; optional if \$35,000 or less ▪ Insurance ▪ Prevailing wages – retainage held or retainage bond ▪ Construction contract if performance bond is used ▪ SAP contract if construction contract is used ▪ Purchase requisition ▪ Purchase order <p>\$35,000 or less:</p> <ul style="list-style-type: none"> ▪ Performance bond or 50 percent retainage <p>Small Works Roster</p> <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>PR may or may not be approved through SAP workflow depending on release strategy</p> <p>Purchase order, in conjunction with the solicitation documents, may serve as the contract</p> <p>Legal</p> <p>Director of Finance</p> <p>City Manager/ Director of Utilities or designee</p> <p>Special reporting requirements of Purchasing for purchases \$50,001-\$200,000</p>

Procurement Matrix

Public Work and Improvement (construction/labor type)	Methodology	Process Requirements	Authorization
<p>>\$200,000</p>	<p>Either:</p> <ul style="list-style-type: none"> ▪ Sealed Request for Bids (RFB) or Request for Proposals (RFP) ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ Sealed RFB or RFP ▪ HUB requirements ▪ LEAP requirements <ul style="list-style-type: none"> ▪ Civil projects over \$250,000 ▪ Building projects over \$750,000 ▪ Posted on Purchasing Internet website ▪ Advertised in City's official newspaper ▪ Bid Bond ▪ Performance bond ▪ Insurance ▪ Prevailing wages – retainage held or retainage bond ▪ Construction contract ▪ C&A letter ▪ City Council or Public Utility Board approval ▪ SAP contract ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Council or PUB Approval</p> <p>Legal</p> <p>Director of Finance</p> <p>City Manager/ Director of Utilities or designee</p> <p>PR approved through SAP workflow</p>

Procurement Matrix

Professional/Personal Services	Methodology	Process Requirements	Authorization
<i>Excludes architectural and engineering services; labor, construction and "public work and improvements"</i>			
\$5,000 or less – one time purchase	None	<ul style="list-style-type: none"> ▪ SOS contract or professional/personal services contract ▪ SAP contract (if services are not "one-time" payment and there is a legal contract) ▪ Purchase requisition ▪ Purchase order ▪ Procurement card with prior authorization 	<p>Legal - if legal contract, including SOS, is used</p> <p>Director of Finance - if legal contract, including SOS, is used</p> <p>GG Department/TPU Division head, or designee</p> <p>PR approved through SAP work-flow only if capital accounting is used</p>
>\$5,000 - \$25,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Three written quotes ▪ Request for Proposals (RFP) ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form (instructions in PR "header notes" okay for three written quotes) ▪ RFP ▪ Posted on Purchasing Internet website if RFP is used ▪ Performance bond optional ▪ Insurance may be required on case-by-case basis ▪ SOS contract or professional/personal services contract ▪ SAP contract (if services are not "one-time" payment and there is a legal contract) ▪ Purchase requisition ▪ Purchase order ▪ Procurement card with prior authorization <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Legal - if legal contract, including SOS, is used</p> <p>Director of Finance - if legal contract, including SOS, is used</p> <p>GG Department/TPU Division head, or designee</p> <p>PR approved through SAP work-flow only if capital accounting is used</p>

Procurement Matrix

Professional/Personal Services	Methodology	Process Requirements	Authorization
>\$25,000 - \$200,000	Request for Proposals (RFP) Waiver	<ul style="list-style-type: none"> ▪ Bid notification form ▪ RFP ▪ Posted on Purchasing Internet website ▪ Performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Professional/personal services contract ▪ SAP contract (if services are not "one-time" payment and there is a legal contract) ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Legal Director of Finance GG Department/TPU Division head, or designee PR may or may not be approved through SAP workflow depending on release strategy</p> <p>Special reporting requirements of Purchasing for purchases \$50,001-\$200,000</p>
>\$200,000	Request for Proposals (RFP) Waiver	<ul style="list-style-type: none"> ▪ Bid notification form ▪ RFP ▪ Posted on Purchasing website ▪ Advertised in City's official newspaper ▪ Performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Professional/personal services contract ▪ C&A letter ▪ City Council or Public Utility Board approval ▪ SAP contract (if services are not "one-time" payment) ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Legal Director of Finance City Manager/ Director of Utilities Council or PUB Approval PR approved through SAP workflow</p>

Procurement Matrix

<p>>\$200,000</p>	<p>Request for Qualifications (RFQ) per RCW 39.80</p> <p>Waiver (RCW 39.80.060)</p>	<ul style="list-style-type: none"> ▪ Bid notification form ▪ RFQ ▪ Posted on Purchasing Internet website ▪ Advertised in City's official newspaper ▪ Performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Professional services contract ▪ C&A letter ▪ City Council or Public Utility Board approval ▪ SAP contract (if services are not "one-time" payment) ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>Legal</p> <p>Director of Finance</p> <p>City Manager/Director of Utilities</p> <p>Council or PUB Approval</p> <p>PR approved through SAP workflow</p>
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Procurement Matrix

Purchased Services	Methodology	Process Requirements	Authorization
\$5,000 or less – one time purchase	None	<ul style="list-style-type: none"> ▪ Performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Prevailing wages may be required for purchased services ▪ Legal contract may be required (SOS is option for personal services only) ▪ Purchase requisition ▪ Purchase order ▪ Procurement card with prior authorization 	<p>If legal contract, including SOS, is being used:</p> <ul style="list-style-type: none"> ▪ Legal ▪ Director of Finance ▪ City Manager/Director of Utilities or designee <p>PR may or may not be approved through SAP workflow depending on release strategy</p>
>\$5,000 - \$25,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Three written quotes ▪ Informal Requests for Bids (RFB) or RFP ▪ Interlocal (case-by-case) ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form (instructions in PR “header notes” okay for three written quotes) ▪ Bid bond optional; performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Prevailing wages may be required for purchased services ▪ Legal contract may be required (SOS is an option for personal services only) ▪ Purchase requisition ▪ Purchase order ▪ Procurement card with prior authorization 	<p>If legal contract, including SOS, is being used:</p> <ul style="list-style-type: none"> ▪ Legal ▪ Director of Finance ▪ City Manager/Director of Utilities or designee <p>PR may or may not be approved through SAP workflow depending on release strategy</p>
>\$25,000 - \$200,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Informal Request for Bids (RFB) or Request for Proposals (RFP) ▪ Interlocal (case-by-case) ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ Informal RFB or RFP ▪ Posted on Purchasing Internet website ▪ Bid bond optional; performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Prevailing wages may be required 	<p>If legal contract, including SOS, is being used:</p> <ul style="list-style-type: none"> ▪ Legal ▪ Director of Finance ▪ City Manager/Director of Utilities or designee <p>PR may or may not be approved through SAP workflow depending on</p>

Procurement Matrix

		<ul style="list-style-type: none"> ▪ Legal contract may be required ▪ SAP contract (if services are not "one-time" payment) ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>release strategy</p> <p>Special reporting requirements of Purchasing for purchases \$50,001-\$200,000</p>
>\$200,000	<p>Either:</p> <ul style="list-style-type: none"> ▪ Sealed Request for Bids (RFB) or Request for Proposals (RFP) ▪ Interlocal (case-by-case) ▪ Waiver 	<ul style="list-style-type: none"> ▪ Bid notification form ▪ Sealed RFB or RFP ▪ Posted on Purchasing Internet website ▪ Advertised in City's official newspaper ▪ Bid bond optional; performance bond optional ▪ Insurance may be required on case-by-case basis ▪ Prevailing wages may be required ▪ Legal contract may be required ▪ C&A letter ▪ City Council or Public Utility Board approval ▪ SAP contract (if services are not "one-time" payment) ▪ Purchase requisition ▪ Purchase order <p>Waiver of competitive procurement process:</p> <ul style="list-style-type: none"> ▪ Submit waiver request form to Purchasing 	<p>If legal contract, including SOS, is being used:</p> <ul style="list-style-type: none"> ▪ Legal ▪ Director of Finance ▪ City Manager/Director of Utilities Council or PUB Approval <p>PR approved through SAP workflow</p>

NOTES:

Dollar limits include shipping, but are before tax.

Splitting bids or projects to avoid competitive procurement limits is a violation of state and local laws.

SAP contracts are created and released by Purchasing staff. SAP contracts are needed when there is a legal contract or supplies/services are received over a period of time. SAP contract not needed for "one-time" payment situations, even if a legal contract is in place.

Purchase requisitions (PR) are created by departments/divisions. **PRs over \$5,000** are processed into purchase orders by Purchasing staff.

Procurement Matrix

Purchase requisitions may or may not go through SAP workflow. Release strategy is determined by four factors: Cost object used (the accounting that will pay for the purchase), creation indicator (whether the PR was created manually or automatically from an MRP run or order), whether a SAP contract was referenced, overall value of the PR. In general:

- 1) PRs over \$25K go through at least two levels of release,
- 2) PRs under \$25K may or may not require workflow depending on the release strategy,
- 3) Most PRs under \$5K do not go through workflow, and
- 4) PRs with capital accounting, regardless of amount, go through at least one level of release.

Purchase orders (PO) are created by Purchasing staff or authorized department/division users; however, **all POs over \$5,000** are created and released by Purchasing staff. Some departments/divisions are authorized to create purchase orders \$5,000 or less. POs may stand as the contract for a purchase, most commonly for purchases of supplies.

Requests for Bids (RFB) may or may not be sealed depending on circumstances and dollar amounts.

Requests for Proposals (RFP) and **Requests for Qualifications (RFQ)** are conducted as sealed solicitations.

