



## City of Tacoma

### Policy # FIN 2.0

Department Sponsor:  
Finance Department  
Procurement and  
Payables Division

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### Policy: Purchasing

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#### 1. Policy Statement

The City of Tacoma (the “City”) will actively seek to maintain public confidence and trust in the methods it uses to purchase goods and services. The City will adopt standards that promote the proper stewardship of public funds and provide for open, transparent, and fair public contracting processes. To accomplish this, the City will use the guiding principles of integrity, accountability, equity, transparency, and inclusiveness.

#### 2. Purpose

The purpose of this Policy is to provide an institutional framework for the purchase of goods and services. This framework will comply with applicable laws, regulations, policies, and procedures, including the Tacoma City Charter and Tacoma Municipal Code (TMC). Specific procedures interpreting and implementing this Policy and relevant laws will be adopted and maintained by the Finance Department in a Purchasing Policy Manual (“Procedures”). The Policy and its related Procedures will:

- Require the use of competitive solicitation whenever practicable
- Govern City staff in purchasing, procurement, and related processes
- Provide for a system of internal controls
- Implement purchasing thresholds
- Support fair and ethical business practices
- Require City staff to use prudent judgement in all aspects of City purchasing and procurement.

This Policy and its associated Procedures incorporate or, in the case of a conflict, supersede all previously issued purchasing or procurement related policies, memos, directives, rules or procedures.

#### 3. Background

TMC Sections [1.06.250 – 271 \(General Purchasing Procedure\)](#), [1.06.272-278 \(Sale of Surplus Personal Property\)](#), and [1.06.279 \(Debarment\)](#) (generally referred to as the Purchasing Code) grant authority over purchasing and procurement and related processes to the Finance Director, who has delegated that authority to the Procurement and Payables Senior Financial Manager, to be carried out in accordance with this Policy and with the Procedures contained in the Purchasing Policy Manual.

#### 4. General Requirements for all Purchases

- 4.1 Dollar thresholds referenced in this Policy and Procedures exclude sales tax but include freight and shipping.
- 4.2 Competitive solicitation is required unless an exemption applies, or a waiver is granted. Exemptions and waivers to competitive solicitation must be applied in accordance with this Policy and applicable Procedures.
- 4.3 Splitting purchases into smaller blocks to avoid or circumvent competitive solicitation thresholds and governing body approvals is prohibited.
- 4.4 Solicitation documents shall provide for the maximum competition possible among contractors, products, and suppliers.
- 4.5 The Senior Financial Manager may reject any and all bid submittals for the City.

- 4.6 Award will be to the lowest and best responsible bidder in the case of a competitively bid purchase of supplies, services, and public work. Award will be to the highest and best responsible bidder for surplus sale transactions. These awards will be in accordance with applicable laws, this Policy, and applicable Procedures.
- 4.7 Written contracts, insurance, indemnification, bonds and other guarantees apply to all City purchases and sale of surplus property when required by law, by this Policy and Procedures, or by the Finance Department to be necessary to protect the City from risk of loss.
- 4.8 All capital asset purchases over \$5,000 must be reported to the Finance accounting representative for the department/division.
- 4.9 Federal funds. Supplies and services procurement with federal funds must comply with all applicable federal terms and conditions and requirements in 2 Code of Federal Regulations Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).
- 4.10 Grant Funds. Departments or Divisions that apply for, receive, and administer grant funds must be familiar with and fully comply with all grant requirements and any awarding agency regulations with respect to procurement requirements, cost or price analysis, subcontracting, wages, and contract administration. Council or Board approval is required for acceptance of grant funding if the City is providing matching funds or services over \$500,000, or if the terms of the grant require governing body approval.
- 4.11 Public Disclosure. The City's procurement process, and the submittals, materials, information, and decisions are all public records subject to public disclosure unless an exemption applies under the Washington State Public Records Act (PRA), [RCW 42.56](#).
- 4.12 Equity in Contracting. The City encourages firms certified through the [Washington State Office of Minority and Women's Business Enterprises](#) (OMWBE) to participate in City contracting opportunities, subject to requirements and processes contained in this Policy, in Procedures, in [TMC 1.07](#) (Equity in Contracting) and in any Equity in Contracting Program rules or regulations.
- 4.13 Sustainable Procurement. The City's purchases have inherent social, health, environmental and economic impacts. The City's procurement practices will incorporate its [Sustainable Procurement Policy](#) and will support the City's commitment to sustainability.
- 4.14 Ethics. All procurement activity will be conducted in a fair, transparent and equitable manner to ensure access to City bid and contract opportunities in accordance with the City's Code of Ethics. ([TMC 1.46.030](#))
- 4.15 Staff who fail to follow the requirements of applicable laws, this Policy and Procedures may be barred from procurement activities until they successfully complete purchasing training and have their roles reinstated by the Procurement and Payables Senior Financial Manager.
- 4.16 Neither this Policy nor adopted Procedures apply to wholesale power and water purchases.

## 5. Purchasing Authority

- 5.1 [City Council/Public Utility Board \(TMC 1.06.266, 1.06.268 and 1.06.269\)](#)
  - 5.1.1 The City Council (Council) for General Government or the Public Utility Board (Board) for Department of Public Utilities, upon recommendation by the Board of Contracts and Awards (C&A Board), has final award approval on all purchases, contracts, and sales of surplus personal property over \$500,000 and on contract amendments as specified in [TMC 1.06.269](#).
- 5.2 [City Manager/Director of Utilities \(TMC 1.06.268\)](#)
  - 5.2.1 The City Manager for General Government and the Director of Utilities for Department of Public Utilities or their delegates are authorized to approve purchases and to sign contracts and amendments less than or equal to \$500,000. Procurement and Payables maintains documentation of current delegation levels.
  - 5.2.2 In the case of contracts approved by Council or Board, contract changes or amendments in an amount less than or equal to \$200,000 over the contract amount initially authorized by the City Council or Public Utility Board may be administratively approved.

### 5.3 Departmental Purchase Authority

- 5.3.1 General Government Departments and Tacoma Public Utilities Divisions (collectively referred to as Departments) are delegated purchasing authority less than or equal to \$10,000 for non-repetitive purchases of supplies, materials and limited services, made in accordance with this Policy and Procedures. Public works and architectural and engineering services are excluded.
- 5.3.2 Equity in Contracting When carried out in accordance with requirements in this Policy and in Procedures, City staff may, without competitive solicitation or waiver make purchases of supplies or services from and enter into contracts with, firms certified and listed on the state OMWBE Directory of Certified Firms for a total anticipated spend of less than or equal to \$50,000. Public works and architectural and engineering services are excluded.

## 6. Solicitation and Award

### 6.1 Sealed Solicitations

Purchases with an estimated cost over \$500,000 shall be conducted as sealed solicitations to prevent their contents from being revealed or known before all submittals are opened.

### 6.2 Unsealed Solicitations

Purchases with an estimated cost of less than or equal to \$500,000, are generally conducted as unsealed solicitations, but may be conducted as sealed solicitations at the discretion of the Senior Financial Manager.

### 6.3 Advertising and Posting Requirements ([TMC 1.06.259](#))

- 6.3.1 Procurement and Payables shall post all sealed and unsealed solicitation announcements to the City of Tacoma's Contracting Opportunities Internet site.
- 6.3.2 Solicitations with an estimated value over \$500,000 must be advertised in the City's official newspaper a minimum of five business days prior to submittal deadline and must be posted for a minimum of five business days in final form, including material changes by addenda.

### 6.4 Three Written Quotes

Purchases and contracts for supplies and some services with an estimated cost of less than or equal to \$50,000 may be obtained with a competitive three written quote process conducted in accordance with applicable laws and Procedures. Architectural and engineering services are excluded. Use of the three written quote process for Public works must be coordinated with Procurement and Payables and conducted in accordance with Section 6.6.1 below.

### 6.5 Architectural and Engineering (A&E) Services and A&E Roster ([RCW 39.80](#)) ([TMC 1.06.253.E](#), [TMC 1.06.256.C](#))

State law governs competitive solicitation and contracting for architectural and engineering services; typically by request for qualifications. Selection of firms or individuals from the [City's A&E roster](#) is also an acceptable method of competitive solicitation for these services.

- 6.5.1 Price may not be used as an evaluation criterion in determining the most highly qualified supplier.
- 6.5.2 The [City's A&E Roster](#) can only be used to procure services that are defined as architectural or engineering services under state law.
- 6.5.3 Procurement of A&E services with federal funds is governed by the Brooks Act ([Public Law 92-582](#)), also known as Qualifications-Based Selection (See 40 U.S.C. 1101-1104 and 49 U.S.C. 325 (b)).

### 6.6 Public Works

Public works are defined as all work, labor, construction, alteration, repair or improvement executed at the cost of the City, regardless of the source of the funding. [RCW 39.04.010](#).

- 6.6.1 Unless otherwise authorized by RCW or TMC, competitive solicitations for public works are made by request for bids. Public works shall be procured in accordance with all applicable laws, including but not limited to: [RCW 39.04](#), [TMC 1.06.255](#), [TMC 10](#), [RCW 35.22](#) and, in the case of federally funded public works, in accordance with applicable federal laws and rules. All public works will be procured in further accordance with this Policy and Procedures.
- 6.6.2 Alternative Public Works Contracting The City may utilize alternative public works contracting methods to include but not limited to Design Build, General Contractor/Construction Manager and Job Order Contracting in accordance with [RCW 39.10](#) and in further accordance with this Policy and Procedures.
- 6.6.3 Small Works Roster Program ([TMC 10.27](#) and [RCW 39.04.155](#)) The City's [Small Works Roster \(SWR\) Program](#) is authorized by state law to award public works contracts of less than or equal to \$200,000 to contractors approved to participate in this Program. Administration of this Program including its bids and awards will be conducted in accordance with state laws, TMC, and Procedures.
- 6.6.4 LEAP (Local Employment and Apprenticeship Program) (TMC 1.90) LEAP is a mandatory City program applicable to certain public works for the purpose of development of a trained and capable workforce possessing the skills necessary to fully participate in the construction trades. LEAP requires a specified quantity of the labor be provided by persons residing within the boundaries of the City of Tacoma or in economically distressed zip codes. LEAP is required on the following project types, at specified estimated values, and the applicable utilization requirements must be included in relevant solicitations:
- 6.6.4.1 Civil projects (such as water main replacements, sewer installations, street pavement, etc.),
- 6.6.4.2 Building projects (such as Convention Center or police headquarters, etc.), and
- 6.6.4.3 Service contracts relating to public works projects that use labor at a City site (such as a contract for flagging services).

## 6.7 Electronic Submittals

Electronic submission of both sealed and unsealed submittals may be authorized as stated in the solicitation.

## 6.8 Bid Opening

- 6.8.1 Procurement and Payables conducts all opening of sealed and unsealed submittals and specifies the submittal opening day.
- 6.8.2 Sealed submittals are opened and read aloud during public bid opening at such times and places and in such manner described in the competitive solicitation.
- 6.8.3 Unsealed/informal submittals are generally not opened publicly.

## 6.9 Award

Unless otherwise authorized by law, TMC, or in this Policy the purchase of or the contract awarded for supplies, services, and public works will be to the lowest and best responsible bidder or respondent.

## 7. **Waiver of Competitive Solicitation**

Where competitive solicitation is required by law, or by this Policy or by Procedures, purchases may be made without competitive solicitation only in the limited circumstances and in the manner allowed by applicable laws and in accordance with this Policy and Procedures. Circumstances where waiver may be allowed are limited to:

### 7.1 Emergency Situations (TMC 1.06.257)

Including but not limited to action to address breakage or loss of equipment or unforeseen circumstances in which a necessary service is or is about to be interrupted; where public health or safety may be jeopardized; or where following normal competitive solicitation requirements will likely result in substantial loss or damage to property, bodily injury, or loss of life.

7.2 Sole Source (TMC 1.06.257)

A circumstance where there is only one feasible supplier, including when the purchase is required to improve or maintain a proprietary system or when the purchase is intended to promote the standardization of a system by purchasing from a single source.

7.3 Not Practicable to Bid (TMC 1.06.257)

An immediate or important need for supplies and/or services where the delay that would result from following a competitive solicitation process would cause a financial loss to the City or an interruption of vital services to the public; purchases involving special facilities or market conditions; or purchases involving specially tailored or performance criteria-based products such as computer systems or equipment.

7.4 Direct Negotiation of Personal or Professional Services (TMC 1.06.256.B)

If the City Manager for General Government or the Director of Utilities for the Department of Public Utilities, or their delegate(s), determines an action to be in the best interest of the City, contracts for personal or professional services may be directly solicited and negotiated.

7.5 Waiver Approvals (TMC 1.06.257)

The Senior Financial Manager approves all waivers for Emergency, Sole Source, and Not Practicable to Bid of less than or equal to \$500,000. The City Manager for General Government or the Director of Utilities for Department of Public Utilities, or their delegates approve Emergency Waivers above \$500,000. Sole Source and Not Practicable to Bid Waivers above \$500,000 are approved in accordance with Section 5 of this Policy.

## 8. Purchases Exempt from Competitive Solicitation

Certain routine purchases that lack access to sufficient competition or involve special facilities or services may be determined exempt from competitive solicitation, waiver, and governing body approval as detailed in the Non-Competitive (Miscellaneous) Invoice Payment Policy. Approval for these types of purchases remain subject to all other applicable law and to the requirements of this Policy and relevant Procedures.

## 9. Interlocal and Interagency Agreements

9.1 Interlocal Agreements

When there is mutual benefit, the City will enter into interlocal agreements with other governmental agencies and will join cooperative purchasing programs in order to make interlocal purchases using the other governmental agency's competitively solicited contract. All such purchases shall comply with the requirements of [RCW 39.34.030](#) and [TMC 1.06.270](#).

9.2 General Services Administration (GSA) Federal Purchasing

GSA allows state and local governments to procure limited supplies and services under specified programs and under circumstances without advertising, giving notice or inviting bids. Any such purchases by the City will comply with [RCW 39.32](#) and [TMC 1.06.270](#).

9.3 Interagency Agreements

An interagency agreement is a contract between the City and another federal, state, or local public agency, and typically involves provision of services by or to the City. Contracting activity is between two or more public entities and not subject to competition, but shall comply with any applicable requirements of [RCW 39.34.080](#).

## 10. Citywide or Convenience Contracts

- 10.1 City Departments often share a common need for supplies or services. Procurement and Payables will conduct competitive solicitations or utilize cooperative or other competitively solicited contracts for citywide materials and services and will establish contracts for citywide use per the requirements of [TMC 1.06.268](#) and any relevant Procedures.
- 10.2 The Senior Financial Manager has the authority to negotiate volume discount supply contracts, convenience contracts, and other contracts when bidders have no incentive to respond to a competitive solicitation and when in the best interests of the City per [TMC 1.06.255.C](#) and any relevant Procedures.

- 10.3 Governing body approval of citywide or convenience contracts exceeding \$500,000 is required only when the contract award is the outcome of a City coordinated competitive solicitation or waiver. In the case of citywide purchases made from an interlocal or cooperative agreement of the type described in section 9 of this Policy, only individual purchases exceeding \$500,000 require governing body approval.

## 11. Purchases Subject to Additional Approvals

### 11.1 Technology Purchases

[The Information Systems Governance Board \(ISGB\)](#) oversees the City's investments in and use of information systems. Members include representatives from both General Government and the Public Utilities. All enterprise-wide (ERP) software purchases must be approved by the ISGB.

11.1.1 The ISGB oversees the activity of several subcommittees, established to steer investments and the commitment of resources towards their various areas of focus. Purchases of software, technology, equipment and commitment of resources are subject to the approval of the following committees as applicable: [Business Process Owners Committee \(BPOC\)](#), [Data Governance Council \(DGC\)](#), [Infrastructure Services Owners Committee \(ISOC\)](#), and [Workforce Productivity Owners Committee \(WPOC\)](#).

11.1.2 Departments shall ensure all purchase requests comply with the City Department of Information Technology standards for purchasing desktop and laptop computers, printers, hardware and software.

### 11.2 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](#))

### 11.3 Fleet Vehicles

All vehicle purchases shall be coordinated with the appropriate Fleet staff.

## 12. Contract Administration

- 12.1 Contract Terms: Contract terms should be generally limited to five years to evaluate market conditions. Exceptions are considered on a case-by-case basis. Staff will work with Procurement and Payables and the City Attorney's Office to determine the appropriate contract terms.
- 12.2 Signatures and Approvals: Per the "Delegation of Procurement Signature and Approval Authority" memos for [General Government](#) and [Tacoma Public Utilities](#), Procurement and Payables contracts and subsequent Amendments shall be routed, approved, and signed electronically through Ariba unless otherwise authorized.
- 12.3 Software Contract Renewals: Once software purchases have been initially authorized by City Council or Public Utility Board resolution or motion, further governing body approval is not required for the ongoing purchase of licenses, maintenance, or subscription costs. Further Competitive solicitation is not required when the purchase and implementation of software generates recurring license, maintenance, or subscription costs. Purchases of new software, hardware, or significant upgrades to operating systems are conducted as new purchases in accordance with all other sections of the above policy.

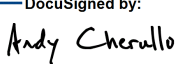
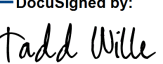
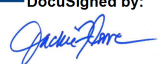
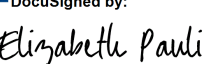
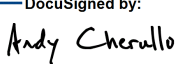
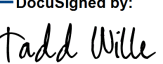
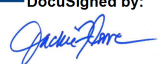
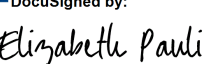
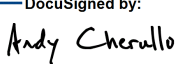
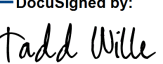
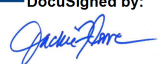
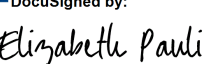
## 13. Protests of Competitive Solicitations

The City promotes the prudent and proper use of public funds and strives to provide a fair forum for parties participating in the solicitation and award of City contracts. Refer to the Competitive Solicitation Protest Policy contained in the Purchasing Policy Manual for rules, standards, and procedures.

## 14. Surplus

The sale and disposal of surplus personal property, including timber, shall be in accordance with [TMC 1.06.272 – 1.06.277](#) and [RCW 35.94.040](#) and relevant Procedures.



<b>Reference:</b>	<p> <a href="#">Glossary</a>  <a href="#">City Charter</a>  <a href="#">TMC Title 1</a>  <a href="#">TMC 1.46.030 Code of Ethics</a>  <a href="#">TMC 1.06.250 – 271 General Purchasing Procedure</a>  <a href="#">TMC 1.06.272 – 278 Sale of Surplus Property</a>  <a href="#">TMC 1.06.279 Debarment</a>  <a href="#">TMC 1.07, Title 10 Equity in Contracting</a> </p> <p> <a href="#">Architectural and Engineering Roster</a>  <a href="#">Delegation of Procurement Signature and Approval Authority memo – General Government</a>  <a href="#">Delegation of Procurement Signature and Approval Authority memo – Tacoma Public Utilities</a>  <a href="#">Equity in Contracting Vendors</a>  <a href="#">Protesting Competitive Solicitation Policy</a>  <a href="#">Equity in Contracting Program</a>  <a href="#">Grant Policy TMC 1.60.010 and 1.60.370</a>  <a href="#">Interlocal Purchasing Agreements</a>  <a href="#">Local Employment and Apprenticeship Program (LEAP)</a>  <a href="#">Office of Minority &amp; Women’s Business Enterprises</a>  <a href="#">Personnel Management Policy 506</a>  <a href="#">Prequalified Electrical Contractor List</a>  <a href="#">Procurement and Payables SharePoint Site</a>  <a href="#">Procurement and Payables Internet site</a>  <a href="#">Public Law, 92-582 Non-Competitive (Miscellaneous Invoice) Payment Policy</a>  <a href="#">Public Law 92-582 Brooks Act aka Qualifications-Based Selection</a>  <a href="#">Sustainable Procurement Policy</a>  <a href="#">RCW 35.22</a> First Class Cities  <a href="#">RCW 35.92.350</a> Prequalified Electrical Contractors  <a href="#">RCW 35.94.040</a> Lease/sale of land or property acquired for public utility purposes  <a href="#">RCW 39.32</a> Acquisition of Governmental Property  <a href="#">RCW 39.04</a> Public Works  <a href="#">RCW 39.10</a> Alternative Public Works Contracting Procedures  <a href="#">RCW 39.26</a> State Procurement Records Disclosure  <a href="#">RCW 39.34</a> Interlocal Cooperation Act  <a href="#">RCW 39.80</a> Architectural and Engineering Services  <a href="#">RCW 42.56</a> Public Records Act  <a href="#">2 CFR 200</a> Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards </p>				
<b>Contact Info:</b>	Patsy Best, Senior Financial Manager - Procurement and Payables Division Manager				
<b>Policy History:</b>	The most current version of this Policy replaces all previous versions. Previous: Purchasing Policy Manual published February 18, 2011.				
<b>Approval:</b>	<table border="1" data-bbox="381 1444 1479 1696"> <tr> <td data-bbox="381 1444 933 1564"> <p>DocuSigned by:    <small>1FA5A3DA5B164E9</small>  Andy Cherullo, Finance Director</p> </td> <td data-bbox="933 1444 1479 1564"> <p>DocuSigned by:    <small>AFFCB3C56D4C473</small>  Tadd Wille, Deputy City Manager</p> </td> </tr> <tr> <td data-bbox="381 1564 933 1696"> <p>DocuSigned by:    <small>BD8D15F89A9447E</small>  Jackie Flowers, Director of Utilities</p> </td> <td data-bbox="933 1564 1479 1696"> <p>DocuSigned by:    <small>A395FED73B0648B</small>  Elizabeth Pauli, City Manager</p> </td> </tr> </table>	<p>DocuSigned by:    <small>1FA5A3DA5B164E9</small>  Andy Cherullo, Finance Director</p>	<p>DocuSigned by:    <small>AFFCB3C56D4C473</small>  Tadd Wille, Deputy City Manager</p>	<p>DocuSigned by:    <small>BD8D15F89A9447E</small>  Jackie Flowers, Director of Utilities</p>	<p>DocuSigned by:    <small>A395FED73B0648B</small>  Elizabeth Pauli, City Manager</p>
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<b>Review:</b>	In the event an applicable law, regulation, policy or resolution is modified, or a new law, regulation, policy or resolution is adopted, the revised law, regulation, or policy will, to the extent inconsistent with this policy supersede this policy.				
<b>Effective Date:</b>	7/30/2021				