

2012 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
143	1	A	1

**Budget Action Title:** Pass CBO C.B. 117310 amending Chapter 20.48 of the Seattle Municipal Code to modify City policies on capital appropriations.

Councilmembers: Budget Committee

Staff Analyst: Tony Kilduff

Council Bill or Resolution: C.B. 117310 tab 9 in gray notebooks

Date		Total	SB	BH	SC	TR	JG	NL	RC	TB	MO
	Yes										
	No										
	Abstain										
	Absent										

**Budget Action description:**

This green sheet recommends passage of C.B. 117310 from the City Budget Office (CBO) amending Chapter 20.48 of the Seattle Municipal Code to modify City policies on capital appropriations.

A review by the CBO of contracting practices for multi-year projects indicated that practices were not consistent across departments because the existing policy does not explicitly address the issue of multi-year projects. The proposed amendment to the SMC addresses the issue. In particular, it would allow contracts for a multi-year project to be let without appropriating all the funds necessary for the entire project so long as:

- a) The contract price does not exceed the total project cost in the most recently adopted six-year Capital Improvement Program;
- b) Sufficient funds have been appropriated to cover the anticipated costs for the current year, and
- c) The contract contains language releasing the City from the contract without liability if future funding cannot be secured to complete the project.

It seems prudent to provide clear direction to departments on how to handle contracting for multi-year projects. Allowing year-by-year appropriations may also lead to lower debt service costs because departments will no longer need to appropriate all needed funds at the start of projects and carry that debt for the entire duration of the project.