BOARD OF PUBLIC WORKS 1979 LTRS #1

CENTRAL FILE

Jan. - June 1979

BOARD OF PUBLIC WORKS

BPW

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

December 27, 1979

To: All Board of Public Work Departments

From: Michael R. Tardy for Betty L. McFarlane, Executive Secretary

Re: Release of Retainage on Supplemental Contracts

On August 10, 1979 I asked the Law Department for an informal opinion on Supplemental Contract retainage, since a number of questions have been raised by departments as to the procedures to be followed for the release of retainage funds on Supplemental Contracts. The Law Department informally advises that all departments of the Board should request Board of Public Works action for the acceptance of all Supplemental Contracts when completed, in the same manner as is currently followed for the acceptance of the basic contract by the Board of Public Works. In addition, as the attached memo from the Law Department indicates, all required releases from the State must be received prior to the release of the retainage by the Comptroller on the Supplemental Contract. This requirement applies to all public works improvement contracts, regardless of the amount of the contract. The Board will begin to implement this advice immediately and expects departments to respond in a manner consistent with the advice described herein.

BLM:mn

cc: Comptroller
BPW Project Managers
Gordy Davidson

Len Clark

Copy: City Atty

ROUTING	DATE	INITIAL
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INFORMATION		
Paul		
AEM/LFC		
	DFH	
EMW/TRT/LSD		

79 DEC 31 A 7:26

SEATTLE ENG. DEPT.

LAW DEPARTMENT—THE CITY OF SEATTLE

RECEIVED
Nov 29 2 2, '79
SECRETARY
BOARD OF PUBLIC WORKS

MEMORANDUM

November 28, 1979

TO: Board of Public Works
Attn: Betty McFarlane
Executive Secretary

FROM: Law Department
By: Gordon B. Davidson
Assistant City Attorney

RE: Retainage on supplemental contracts.

You recently requested us to review the provisions of certain identified sections in Ch. 60.28 RCW and a procedure proposed by City Light regarding payment of the retainage on supplemental public works contracts, and asked whether the procedure was consistent with state law.

Under the proposed City Light procedure, a Department of Revenue release is to be obtained prior to the payment of any retainage on a basic contract that is terminated before completion pursuant to RCW 60.28.010(3) and consistent with RCW 60.28.020. On the other hand, a Department of Revenue release is not proposed to be obtained prior to the payment of any retainage on the supplemental contract entered into pursuant to RCW 60.28.010(3).

Attached are copies of RCW Sections 60.28.040, -.050, and -.060. You will note from a review of those statutory sections that in the event a public works contract is for $20,000 or more, the lien of the Department of Revenue on the retainage for taxes, increases and penalties due under Title 82 RCW, is prior to all other liens. (RCW 60.28.040) The following two sections specify the procedure to be used by the disbursing officer upon final acceptance of the project, with respect to the payment of any funds payable to the Department of Revenue. Such procedures do not specifically pertain only to payments due the Department of Revenue for work described in the basic contract, and must, therefore, be deemed to affect both the basic contract's as well as any supplemental contract's retainage. To implement the provisions of RCW 60.28.040, -.050, and -.060, a disbursing officer has the obligation to obtain from the Department of Revenue a release certificate prior to paying any of the retainage on a supplemental public works contract to the contractor.

Moreover, the fact that RCW 60.28.040 makes the State's lien predominant on contracts of a value of $20,000 or more does not mean that the procedures required by RCW 60.28.010, -.020, -.050 and -.060 can be dispensed with where a contract of less than that value is being closed out, in our opinion.

The opinions expressed in this memorandum have not been reviewed by the City Attorney and are therefore subject to modification upon further consideration.

We trust this material will be of assistance to you.

GBD:fmh

Enclosures

cc: Mayor

60.28.040 Tax liens—Priority of liens

The amount of all taxes, increases and penalties due or to become due under Title 82, from a contractor or his successors or assignees with respect to a public improvement contract wherein the contract price is twenty thousand dollars or more shall be a lien prior to all other liens upon the amount of the retained percentage withheld by the disbursing officer under such contract, and the amount of all other taxes, increases and penalties due and owing from the contractor shall be a lien upon the balance of such retained percentage remaining in the possession of the disbursing officer after all other statutory lien claims have been paid. [Amended by Laws 1st Ex Sess 1971 ch 299 § 1, effective July 1, 1971.]

Severability, effective dates—1971 1st ex.s. c 299: See notes following RCW 82.04.050.

60.28.050 Duties of disbursing officer upon final acceptance of contract

Upon final acceptance of a contract, the state, county or other municipal officer charged with the duty of disbursing or authorizing disbursement or payment of such contracts shall forthwith notify the department of revenue of the completion of said contract. Such officer shall not make any payment from the retained percentage fund or release any retained percentage escrow account to any person, until he has received from the department of revenue a certificate that all taxes, increases and penalties due from the contractor, and all taxes due and to become due with respect to such contract have been paid in full or that they are, in the department's opinion, readily collectible without recourse to the state's lien on the retained percentage. [Amended by Laws 1st Ex Sess 1967 ch 26 § 24, effective July 1, 1967; Laws 1st Ex Sess 1970 ch 38 § 3.]

60.28.060 —— Payments to department of revenue

If, within thirty days after receipt of notice by the department of revenue of the completion of the contract, the amount of all taxes, increases and penalties due from the contractor or any of his successors or assignees or to become due with respect to such contract have not been paid, the department of revenue may certify to the disbursing officer the amount of all taxes, increases and penalties due from the contractor, together with the amount of all taxes due and to become due with respect to the contract and may request payment thereof to the department of revenue in accordance with the priority provided by this chapter. The disbursing officer shall within ten days after receipt of such certificate and request pay to the department of revenue the amount of all taxes, increases and penalties certified to be due or to become due with respect to the particular contract, and, after payment of all claims which by statute are a lien upon the retained percentage withheld by the disbursing officer, shall pay to the department of revenue the balance, if any, or so much thereof as shall be necessary to satisfy the claim of the department of revenue for the balance of all taxes, increases or penalties shown to be due by the certificate of the department of revenue. If the contractor owes no taxes imposed pursuant to Title 82, the department of revenue shall so certify to the disbursing officer. [Amended by Laws 1st Ex Sess 1967 ch 26 § 25, effective July 1, 1967.]

Effective date—Saving: See note following RCW 82.01.050.

BPW

Your City, Seattle

Office of the Mayor
Charles Royer, Mayor

M-Staff

December 20, 1979

M E M O R A N D U M

TO: Betty L. McFarlane, Executive Secretary
Board of Public Works

FROM: Charles Royer

SUBJECT: Appointments to the Board of Public Works

I am pleased to inform you that I have reappointed Walt Hundley to a four-year term on the Board of Public Works, pursuant to Ordinance 107785. His term will expire December 31, 1983.

This appointment is being forwarded to the City Council for confirmation as required by Article VII of the City Charter.

I have also appointed Walt Hundley as Board Chairman for 1980. This appointment is not subject to City Council confirmation.

CR:ndw

cc: William Justen
Ken Lowthian
Robert Murray
✓Paul Wiatrak

SEATTLE ENG. DEPT.
79 DEC 31 AM 10: 38

BPW

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP December 20, 19
(date)

All Board of Public Works Members
(~~referred~~ to)

Michael E. Dansky, Exec. Asst.
for Betty L. McFarlane, Executive Secretary
(referred by)

____ Please prepare reply for the Executive Secretary's signature on office stationery.

____ Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____ Forwarded for your investigation, report, and recommendation.

X Forwarded for your ~~information~~ and files.

____ Other _____

ROUTING	DATE	INITIAL
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FILE	✓	
INFORMATION		
PaW		
aEm / DJH		

3c

CONSTRUCTION Data & News

CONSTRUCTION DATA PLAN CENTER

824 Fifth Avenue North • Seattle, Washington 98109
(206) 284-4881

RECEIVED
DEC 21 AM 7:7
SEATTLE ENG. DEPT.
BOARD OF PUBLIC WORKS

October 1, 1979

TO: ARCHITECTS, ENGINEERS AND PUBLIC AGENCIES

After serving the construction community in the greater Seattle area for more than thirty years, the PLAN BUREAU has changed its name. All plans, specifications, addenda and correspondence should be addressed to: CONSTRUCTION DATA PLAN CENTER, 824 Fifth Ave N, Seattle, WA 98109.

We specialize in helping the construction trade by publishing a trade magazine and by operating a plan center. Presently, our membership totals over 1300 throughout the Pacific Northwest, and we consider ourselves the leading plan center.

You will be receiving complimentary copies of our magazine on a periodic basis; and our editor is always looking for projects to feature on the front cover – so send us your rendering or sketch.

We are grateful for your cooperation in sending plans and specifications on construction jobs out for bid; and we hope to maintain a good relationship with you for years to come.

Thanks again for your assistance.

Sincerely,

John C. Madrosen

John C. Madrosen
President

SEATTLE ENG. DEPT.
79 DEC 21 AM 10:06

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Internal Services Report

December 17, 1979

ROUTING	DATE	INITIAL
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INFORMATION		
PAW		
M-Staff		

SEATTLE ENG. DEPT.
79 DEC 18 AM 10: 05

Mr. Thomas E. McLaughlin
c/o Mayor's Reorganization Project
221 Seattle Municipal Building
Seattle, Washington 98104

Dear Tom:

Thank you for meeting with me Tuesday to discuss the above report. I was becoming more comfortable with your analysis of the report. However, in the Task Force meeting Wednesday, I received differing interpretations of where the Board of Public Works function would be located; if there would be an Executive Director of Board of Contracts, who would provide staff to the Board to carry out their responsibilities; and how the public works contracts would be monitored. There are now three places that the monitoring would probably occur: the Procurement Office, Audit Staff, and Executive Director (a box should be shown on organization chart for Executive Director). Perhaps the Executive Director would be in charge of the audit staff of the Board. This would be a similar position to that for which I have Civil Service standing. It seems redundant to have three ongoing auditor, or monitoring, areas. There is also a post-audit contemplated in the Comptroller's Office, and one presently carried out by State Auditors--not to mention the Council's audit staff.

I could support the report if it could be shown that the important function of public works contracting is visible and properly addressed.

The other alternative, which in my opinion is preferred, is to expand the present General Services Department to include all the Internal Services Departments. Public works and contracting should be placed in a Department of Contracting as the Contracting Study recommended. The function of public works should not be mixed with purchasing or the auditing watered down by auditors

who are monitoring in-house services, as well. A separate department can devote all its attention to one thing, public works and contracting. That would not be fragmenting anything, but devoting enough attention to this vitally important public function.

Yours very truly,

BOARD OF PUBLIC WORKS

Betty McFarlane

Betty L. McFarlane
Executive Secretary

BLM/jw

cc: Mayor Charles Royer
Internal Services Group
Board of Public Works Members

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

ROUTING	DATE	INITIAL
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M Staff		

SEATTLE ENG. DEPT.
79 DEC 13 A9:58

Re: Public Works Contracting

December 12, 1979

Mr. Tomi H. Terao
Purchasing Agent
City of Seattle

Dear Tomi:

Thank you for your communication of December 10, regarding my minority position on the reorganization of the Internal Services Departments. There was no question raised regarding your qualifications as Purchasing Agent. General contracting experience is not the answer. My concern is that contracts between various private corporations and entities do not have the same requirements as do public works administration and contracting. Public Works contracting involves specialized and involved processes which must be applied as they relate to various Federal, State and City requirements and laws, depending upon the funding source. There are latitudes which are possible under private negotiated service contracts and consultant services which are not legal under the laws which govern municipal public works administration and direction of public works activities. It takes up-to-date knowledge and working experience to direct departments and contractors in this regard. We presently have a good record which does not warrant a change in administration.

Public Works are not internal services. My position is that Public Works contract administration should be visible and easily identified by the public and all concerned. It could be a separate division within a new Department of Contracting and Internal Services, but separate from the internal purchasing services of procurement of supplies and materials. My preference is that it be within a Department of Contracting, as the Contracting Study recommends.

Copy: Purchasing Dept

Yours very truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM/jw
cc: Robin Pasquarella
Cabinet Members

An equal employment opportunity - affirmative action employer
Board of Public Works Department, 303 Municipal Building, Seattle, Washington 98104, (206) 625-2266
Board of Public Works: Kenneth M. Lowthian, Chairman, Supt. of Water; Walter R. Hundley, Supt. of Parks and Recreation; Paul A. Wiatrak, Dir. of Engineering; Robert H. Murray, Supt. of City Light; William J. Justen, P.E. Supt. of Buildings

BPW

12-12-79

108654

ORDINANCE 108654

AN ORDINANCE relating to the Board of Public Works; amending Section 1 of Ordinance 99492 to increase contract administration charges of the Board of Public Works as of January 1, 1980.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As of January 1, 1980, Section 1 of Ordinance 99492, as last amended by Ordinance 107832, is further amended as follows:

Section 1. There is hereby imposed a charge of ((Seven Dollars (7.00))) NINE DOLLARS ($9.00) per day from date of execution to date of acceptance of the work as to each and every public works contract administered by the Board of Public Works with the exception of contracts for consulting services, other service contracts, and tree or plant establishment portions of landscaping contracts. Such charge shall be computed by the Executive Secretary of the Board of Public Works and billed to the department or fund for which such contract is administered, and receipts therefrom shall be deposited in the General Fund.

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 30th day of November, 1979, and signed by me in open session in authentication of its passage this 30th day of November, 1979.

JOHN MILLER,
President of the City Council.

Approved by me this 11th day of December, 1979.

CHARLES ROYER,
Mayor.

Filed by me this 11th day of December, 1979.

Attest: E. L. KIDD,
City Comptroller and
City Clerk.

By: WAYNE ANGEVINE,
(Seal) Deputy Clerk.

Publication ordered by E. L. KIDD, Comptroller and City Clerk.

((Boldface denotes deletion))

Date of official publication in the Daily Journal of Commerce, Seattle, December 12, 1979.

(C-163)

APPD 12-11-79

BPW

GBD:fmh
10/31/79

DEC 12 1979

Cf. # 17

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(To be used for all Ordinances except Emergency.)

108654

Section 2 . This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 30 day of November, 1979

and signed by me in open session in authentication of its passage this 30 day of November, 1979. John Mueller

President of the City Council.

Approved by me this 11 day of December, 1979. Charles Royer

Mayor.

Filed by me this 11 day of December, 1979

Attest: E. L. Lisen

City Comptroller and City Clerk.

(SEAL)

By Wayne Magaurne

Deputy Clerk.

Published

CSS 8.1.6

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

ROUTING	DATE	INITIAL
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	DH	
EHW	KTJ	Delegate

December 10, 1979

To: E. L. Kidd, City Comptroller

From: Betty L. McFarlane, Executive Secretary Betty L. McFarlane

Re: Board of Public Works Contract Amendments

The terminology "Change Orders" used in your communication of November 30 to this Department means something different to us than "Contract Amendments" used in your reference caption. To be certain your question is completely answered, I will outline signature authorization requirements for both public works improvement contract change orders and consultant or expert services amendments to contracts:

1. All basic contracts and amendments to consultant and expert services contracts must be approved by the Board of Public Works and be signed by the Chairman and Executive Secretary of the Board, Payments to consultants are authorized and signed by each Department Head entering into contract in accordance with Board approved contract terms.

2. The actual Change Orders/Supplemental Contracts for increase or decrease of work on public improvement contracts may be authorized by the Department Head administering the contract unless the extension involves a shortening of the length of the project by more than 25%; (2) an increase or decrease of more than 25% of the total cost of the work calculated from the original proposed quantities and the unit contract prices, or (3) an increase or decrease of more than 25% in the quantity of any one major contract item, as defined in Section 1-1.34 of the Standard Specifications for Municipal Public Works Construction when such Change Orders/Supplemental Contracts require Board of Public Works and Surety's approval signatures. Department Head and contractor's signatures should also be on all contracts.

   All payments to contractors on public works improvement contracts must include approval signatures of the Chairman and Executive Secretary of the Board of Public Works before payment may be made, that includes payments to contractors for Change Orders/Supplemental Contracts.

If this does not clearly answer your question regarding what approval signatures are required on Board of Public Works contracts, please advise.

BLM:wb

cc: BPW Members

79 DEC 11 A7:30

SEATTLE ENG. DEPT.

City of Seattle

OFFICE OF THE COMPTROLLER
101 Municipal Building
Seattle, Washington 98104

RECEIVED
DEC. 3 4 15 PM '79
SECRETARY
BOARD OF PUBLIC WORKS

E. L. KIDD
CITY COMPTROLLER

E. J. RICE
CHIEF DEPUTY COMPTROLLER

November 30, 1979

MEMORANDUM

To: Betty McFarlane, Executive Secretary

From: E. L. Kidd, City Comptroller E. L. Kidd

Subject: Board of Public Works Contract Amendments

The Budget Control Section of this office receives requests to encumber Board of Public Works contracts from various departments. Standard contracts for goods and services require approvals from the Office of Management and Budget and the Purchasing Department.

I realize BPW contracts are a different matter and would appreciate your defining what approval signatures are required on change orders for BPW contracts. This information will be passed on to the auditors in this office who review contracts being encumbered.

Thank you for any assistance you can provide.

ELK:VN:bjm

cc: C. E. Bessner
V. Nishimura

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

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THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

December 5, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Sec. 9-1.03 PAYMENT FOR EXTRA WORK -
City Supplement to the APWA Standard Specifications
for Municipal Public Works Construction

Last week this department submitted a memorandum to all Board members pointing out that the above section does not mention an allowance for mark-ups on materials and reminding departments that they should be following the requirements of Sec. 9-1.03.

Departments have been allowing mark-ups for materials and have brought to our attention ambiguities in the supplement. The Board discussed the matter in regular session today and decided, upon advice from the Assistant City Attorney Phil King, that they should not change past practices without notifying contractors prior thereto. Therefore, departments are to continue to allow mark-ups for materials until the supplement can be amended and clarified.

In the meantime, the Board requested that your departments review this section and prepare recommended amendments which should be submitted to the Board of Public Works Department for review with the task force which is drafting amendments to the new APWA Specifications.

BLM/jw

cc: Phil King, Assistant City Attorney
Task Force Members:
Doug Howell, Engineering Dept., Chairman
John Summers, City Light
Harry Pratt, Water Department
R. L. Snyder, Building Department
Ed Engel, Parks and Recreation Department
Gordon Davidson, Assistant City Attorney

Copy: Stnd Plans & Specs

SEATTLE ENG. DEPT.
79 DEC 7 AM 10: 05

BPW

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DUPLICATE COPY

PAUL A. WIATRAK, DIRECTOR ENGINEERING

As of 1-17-80, no reply received as yet from Engineering

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

MEMORANDUM

December 5, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

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City Supplement to the APWA Standard Specifications
for Municipal Public Works Construction

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In the meantime, the Board requested that your departments review this section and prepare recommended amendments which should be submitted to the Board of Public Works Department for review with the task force which is drafting amendments to the new APWA Specifications.

BLM/jw

cc: Phil King, Assistant City Attorney
Task Force Members:
Doug Howell, Engineering Dept., Chairman
John Summers, City Light
Harry Pratt, Water Department
R. L. Snyder, Building Department
Ed Engel, Parks and Recreation Department
Gordon Davidson, Assistant City Attorney

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aem	DJH	

3c

80 JAN 18 A8:12 SEATTLE ENG. DEPT.

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
M E M O R A N D U M

November 30, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Updates of Federal and State Prevailing Wage Listings

Attached are updates of both Federal and State Prevailing Wage Rates, to be incorporated into all public works contracts immediately.

BLM/jw

cc: Doug Howell, Engineering
Ed Engel/Evelyn Larson, Parks
Al Wyemura, Seattle Center
Robert L. Snyder, Buildings
John Hansen, City Light
William Rashkov, Water

Att.

ROUTING	DATE	INITIAL
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paw		
AEM	DJH	

Copy Cover Ltr:
Federal Aid

SEATTLE ENG. DEPT.
79 DEC 3 A9:59

I-30-1

PREVAILING WAGE RATES
(Effective Date 10-29-79)

The contract is subject to Chap. 39.12 RCW and amendments and additions thereto relating to minimum wages. On Federally-funded projects, Federal Wage Laws and Regulations prevail. When there is a difference between the applicable State and Federal prevailing rate of wage for a similar classification of labor, the Contractor shall pay not less than the wage which is the higher of the two.

All laborers, workmen or mechanics shall be paid not less than the minimum hourly rate of wage hereinafter specified, Provided, however, that nothing herein contained shall be construed to prohibit the Contractor, Subcontractor or other person doing or contracting to do the whole or any part of the work under this contract, from paying any such laborers, workmen or mechanics' wages in excess of the hourly minimum rate above specified, Provided further, that any listing of wages and fringe benefits set forth herein for any classification is intended only as a guideline for the Contractor and does not necessarily reflect the most recent classifications or prevailing wage rates therefor.

It is the sole responsibility of the Contractor to assign the appropriate classifications to all laborers, workmen or mechanics who will perform any work pursuant to any Public Works Contract and to ascertain the applicable prevailing wage rates and fringe benefits for each such classification.

Current prevailing wage data can be obtained by the Contractor from the Industrial Statistician of the Department of Labor and Industries, Industrial Relations Division, General Administration Building, Olympia, Washington 98404, (206) 753-4019, and for Federally-funded projects, from the U. S. Department of Labor, Wage Hour Division, Federal Office Building, Seattle, 442-1492.

BUILDING TRADES FOR KING COUNTY

ASBESTOS WORKERS

Journeyman		$15.78
Health & Welfare	.65	
Pension Fund	1.30	
Occupational Health & Research Fund	.07	
Apprentice Fund	.06	

BOILERMAKERS AND BLACKSMITHS

Foreman		14.36
Assistant Foreman - Leadman		14.11
Boilermaker - Blacksmith		13.61
Health & Welfare	1.175	
Pension	1.25	
Vacation	1.00	
Apprenticeship	.04	

PREVAILING WAGE RATES
(Effective Date 10-29-79)

BRICKLAYER & MARBLE MASON

Journeyman Bricklayer		13.43
Stone Masons		13.43
Blocklayer		13.43
Cleaners, Pointers & Caulkers		13.43
Exterior Marble Masons		13.43
Health & Welfare	.80	
Pension Fund	1.55	
Apprenticeship	.11	

CARPENTERS

Journeyman Carpenter		13.04
Carpenters on Creosoted Material		13.14
Sawfilers, Stationary Power Saw Operators, Floor-finishers, Floorlayers, Floorsanders, Shingler & Operators of other stationary power woodworking tools		13.17
Millwrights and Machine Erectors		13.54
Piledrivers, Bridge, Dock & Wharf Builders		13.19
Boom Men		13.24
Acoustical Workers		13.20
Acoustical Foreman		14.20
Millwright Foreman		14.54
Carpenter Foreman		14.04
Piledriver Foreman		14.24
Piledriver Foreman - on power rigs while driving and/or pulling piling		14.54
Health & Welfare	.70	
Pension	.85	
Apprentice Fund	.02	

CARPET, LINOLEUM & SOFT TILE LAYERS

Journeyman		12.33
Health & Welfare	.63	
Pension Fund	1.00	
Apprenticeship Fund	.05	

CEMENT MASONS - SOUTH

Cement Masons		11.94
Composition, Underlayment Color & Mastic, Epoxy		12.19
Trowel Machine		12.19
Grinder & all other power tools used by Cement Masons under their jurisdiction		12.19

PREVAILING WAGE RATES
(Effective Date 10-29-79)

CEMENT MASONS - SOUTH (Continued)

Gunnite Nozzleman		12.19
Foreman - 25¢ above the highest Journeyman supervised		
Health & Welfare	.85	
Pension	1.25	
Training Fund	.09	
Vacation	1.00	

CEMENT MASONS - NORTH

Cement Masons		12.71
Composition, Epoxy		12.96
Color & Mastic		12.96
Trowel Machine		12.96
Grinder & all other power tools		12.96
Gunnite Nozzleman		12.96
Health & Welfare	.85	
Pension	1.25	
Training Fund	.02	

DIVERS & TENDERS

Divers		32.32
Tenders		14.24
Health & Welfare	.70	
Pension	.85	
Apprentice Fund	.02	

ELECTRICIANS

Journeyman Wireman & Technician		15.63
General Foreman - 20% over Journeyman		18.76
Foreman - 10% over Journeyman		17.19
Cable Splicer - 10% over Journeyman		17.19
Construction Stockman - 50% of Journeyman		7.815
Health & Welfare	.85	
Pension - NEBF - 3% of the Hourly Rate		
Apprentice Fund	.05	
Pension (Local)	1.30	
Industry Fund	1%	

ELECTRONIC TECHNICIANS

Journeyman Technician		10.62
Health & Welfare	.50	
Pension	.30	

PREVAILING WAGE RATES
(Effective Date 10-29-79)

ELEVATOR

Elevator Constructor Foreman		17.70
Elevator Constructor Mechanic		15.735
Elevator Constructor Helper		11.01
Probationary Helper		7.87
Health & Welfare	1.045	
Pension	.82	
Educational Fund	.035	

Vacation under 5 yrs, 6% hourly wage
Vacation over 5 yrs, 8% hourly wage

GLAZIERS

Journeyman		12.19
Foreman		12.80
Health & Welfare	.36	
Pension Fund	.95	

IRONWORKERS

Structural		13.66
Ornamental		13.66
Riggers		13.66
Welders & Burners		13.66
Fence Erectors		13.66
Reinforcing		13.66
Health & Welfare	.93	
Pension	1.70	
Apprenticeship Fund	.10	

Foreman - .40 per hour over Journeyman w/3 men or less
1.00 per hour over Journeyman w/4 men or more

LANDSCAPE LABORERS

Landscape Laborers	7.00

No Fringe Benefits

LATHERS

Journeyman		13.01
Foreman 2 to 4 men		13.26
5 to 8 men		13.385
9 men or more		13.51
Health & Welfare	.85	
Apprenticeship	.06	
Pension	1.00	

PREVAILING WAGE RATES
(Effective Date 10-29-79)

LAWN SPRINKLER & IRRIGATION WORK

Lawn Sprinkler Journeyman		9.05
Foreman		9.55
General Foreman		10.05
Health & Welfare	.70	
Dental	.15	
Vacation	.37	
Pension	.30	
Training Fund	.11	

PAINTERS

Brush, Roller, Paperhanger		12.67
Steeple Jack, Tower		13.42
Industrial Painter - Steam Cleaner, Power Wash (Over 2000 PSI), Bridge, Epoxy, Toxic Spray, Sandblast (Pot Tender - Brush Rate), Steel, Tank, Suspended Scaffolding, Pipes, Industrial Work in Industrial Plants		13.07
Foreman - .75 per hour over the highest paid Journeyman on the job		
General Foreman - $1.00/hour over highest paid Journeyman on the job		
Health & Welfare	.46	
Dental	.15	
Pension	.78	
Apprenticeship	.04	

PAVEMENT STRIPING

Journeyman Pavement Striper		13.66
Foreman		14.16
Health & Welfare	.72	
Pension	.25	

PLASTERERS

Journeyman		12.73
Foreman - 2 to 5 men supervised		13.105
6 to 9 men supervised		13.48
10 men or more supervised		13.855
Health & Welfare	.75	
Pension Fund	1.35	
Apprenticeship Fund	.08	

PREVAILING WAGE RATES
(Effective Date 10-29-79)

PLUMBERS & PIPEFITTERS

Journeyman Plumber & Pipefitter		15.41
Foreman		16.95
General Foreman		17.72
Dental	.23	
Health & Welfare	.71	
Pension	1.65	
Vacation	1.50	
Apprenticeship	.12	

REFRIGERATOR MECHANICS

Journeyman		14.21
Health & Welfare	.68	
Pension Fund	1.51	
Vacation Fund	1.35	
Apprentice Fund	.12	
Dental	.21	

ROOFERS AND WATERPROOFERS

Journeyman		12.71
Kettlemen		12.71
Tile & Slate Roofers		12.96
Helper	70%	8.90
Foreman - .50 per hour over highest classification supervised		
Health & Welfare	.75	
Pension Fund	1.00	
Apprenticeship	.03	

SHEETMETAL WORKERS

Foreman Sheetmetal Worker		16.29
Journeyman Sheetmetal Worker		15.29
Health & Welfare	.73	
Pension Fund	1.56	
Apprenticeship	.07	
SASMI	3% of the hourly rate, + Health & Welfare + Pension	

SPRINKLER FITTERS

Journeyman Sprinkler Fitter		16.76
Foreman		18.01
Health & Welfare	.75	
Pension	2.05	
Apprentice Fund	.11	

PREVAILING WAGE RATES
(Effective Date 10-29-79)

TERRAZZO WORKERS

Journeyman		13.57
When working with epoxy		13.82
Health & Welfare	.80	
Pension Fund	1.00	

TILE SETTERS

Journeyman		13.57
Health & Welfare	.80	
Pension Fund	1.00	
Apprenticeship	.11	

TILE, MARBLE & TERRAZZO HELPERS

Helpers - Experienced		11.69
Inexperienced - 1st 6 months		10.69
Health & Welfare	.80	
Pension	.30	

HEAVY CONSTRUCTION FOR NORTHWESTERN WASHINGTON, CHELAN-WEST, CLALLAM, DOUGLAS-WEST, GRAYS HARBOR, ISLAND, JEFFERSON, KING, KITSAP, KITTITAS-WEST, LEWIS, MASON, OKANOGAN-WEST, PACIFIC-NORTH, PIERCE, SKAGIT, SNOHOMISH, THURSTON, WHATCOM, YAKIMA-WEST.

In addition to the Wage Rates designated, the employer shall contribute for each compensable hour, the Fringe Benefits listed herein.

If the Contractor makes use of apprentices on the job, they must be registered and approved by the Washington State Apprenticeship Council pursuant to Chapter 49.04 RCW, and must be paid not less than the approved progression apprentice hourly rate in the trade.

OPERATING ENGINEERS FOR NORTHWESTERN WASHINGTON

THE FOLLOWING CLASSIFICATIONS AND RATES OF WAGE ARE FOR ALL THE COUNTIES IN THE NORTHWESTERN WASHINGTON AREA AS HERETOFORE LISTED

BATCH PLANT OPERATOR*	
Batch and Mixer - 200 yards per hour and under	13.69
Batch and Mixer, over 200 yards P.H. thru 400 yds. P.H.	14.01
Batch and Mixer, over 400 yards P.H. thru 600 yds. P.H.	14.32
BROOMS, POWER WAYNE, SAGINAW AND SIMILAR TYPES	13.66

BULLDOZERS, UNDER D9 OR DIMILAR	13.66
D9 or Similar	13.88
Pay Dozers and Linked Pusher & Quad 9 & Similar	14.06
Engaged in Yoyo Operation - while clearing or scaling	14.06
BUMP CUTTER - CONCUT, CHRISTIANSON OR SIMILAR TYPES	13.96
CABLEWAYS	
3 Yards and under	14.06
Over 3 Yards	14.45
CEMENT HOGS	13.45
COMPRESSORS	
Excavating and general purposes	13.36
Steel Erection including Sand Blasting, Painting of Same	13.78
CRANES	
A-Frame Trucks - Single Power Drum	13.69
A-Frame Trucks - Double Power Drum	14.06
Crawler, Truck Type, Floating, Locomotive, Whirley, either 3 yds. and under or 150 ft. of boom (including jib) & under, or 45 tons and under	14.06
Crawler, Truck Type, Floating, Locomotive, Whirley, either over 3 yds. or over 150 ft. of boom (including jib) or over 45 tons up to 100 tons	14.45
Crawler, Truck Type, Floating, Locomotive, Whirley, either 6 yds. and over, 200 ft. of boom (including jib) and over, or 100 tons and over	15.00
Rollagon, Transporter	15.00
Tower Cranes, Pecco, Lorraine, Bucyrus & Similar Types	14.45
Hydralifts	14.06
Hyster Cat Cranes & Attachments	14.06
Chipper, Wood w/Boom Attachment	14.06
Conveyors	13.69
Conveyors, Beltcrete w/Power Pack & Similar Types	14.01
CRUSHERS - ROCK - WASHING AND SCREENING PLANTS	13.69
DERRICKS, ALL	14.06
DRILLING MACHINES, CORE, CABLE, ROTARY AND EXPLORATION	14.06
FINISHING MACHINE OPERATOR, CONCRETE PAVING	13.69
FIREMAN, HOT PLANT AND DRIER	13.31
HOISTS, AIR TUGGERS AND DECK WINCHES - POWER, STRATO TOWER BUCKET, ELEVATORS	13.69
HELICOPTER WINCH OPERATOR	14.45
REMOTE CONTROL OPERATOR ON RUBBER-TIRED EARTHMOVING EQUIP.	14.45
HOISTS ON STEEL ERECTION TOWERMOBILES & AIR TUGGERS	13.78

PREVAILING WAGE RATES
(Effective Date 10-29-79)

LOADERS	
Elevating-Athey, Barber Greene & Similar Types	13.69
Elevating Belt Type - Euclid & Similar Types	14.01
Elevating Grader Type-Dumor & Similar Types	13.81
Fork Lifts or Lumber Stacker - on construction job site, Drott Travel Lift	13.66
Fork Lifts with Tower	13.78
Fork Lifts w/Power Boom & Swing Attachment	14.06
Overhead & Front End - under 2½ yards	13.69
Overhead & Front End - 2½ yards up to 4 yards	14.06
Overhead & Front End - 4 yards up to 8 yards	14.28
Overhead & Front End - 8 yards and over	14.87
LOCOMOTIVE	
Dinkey-Air, Electric, Steam, Gas or Diesel	13.44
Rod or Geared Engines	14.81
MECHANICS OR WELDERS, HEAVY DUTY	13.79
MECHANIC LEADMAN	14.06
MECHANICS HELPERS, HEAVY DUTY SHOP	13.10
MIXERS	
Asphalt up to 4 tons per batch	13.69
Asphalt 4 tons and over per batch	14.01
Mobile Type w/Hoist Combination	14.06
Concrete Mixers and Batch - 200 yds. per hour & under	13.69
Concrete Mixers and Batch - over 200 yds. per hour through 400 yd. per hour	14.01
Concrete Mixers and Batch - over 400 yds. per hour through 600 yds. per hour	14.32
Paving	13.81
Paving Dual	14.01
Motor Patrol Graders, Including Model 14 & Similar	13.76
Motor Patrol Graders, over Model 14 & Similar	14.06
Mucking Machines, Mole or Tunnel Drill, and/or Shield	14.06
OIL DISTRIBUTORS, BLOWER DISTRIBUTOR AND MULCH SEEDING OPERATOR	13.43
Oilers, Grade-Oiler Combination and/or Brakemen	13.20
Grade Checker & Stakemen	11.61
Equipment Service & Fueling Oiler	13.48
Firemen	13.31
Oiler Driver on Truck Cranes over 45 Tons up to 100 Tons	13.38
Oiler Driver on Truck Cranes 100 Tons & over	13.48
Oiler Trainee	8.37
PILEDRIVER ENGINEERS, L B FOSTER PULLER OR SIMILAR, PAVING BREAKER	14.06
POST HOLE DIGGERS, MECHANICAL	13.63
POWERPLANT OPERATORS	13.69

PUMPS	
Truck Mounted Concrete Pump w/Boom Attachment	13.84
Fuller Kenyon	13.69
Concrete & Pump Crete	13.69
Water	13.50
ROLLERS, TAMPERS AND VIBRATORS	
On Plant, Road Mix or Multilift Materials	13.69
Other than Plant, Road Mix or Multilift Materials - where towed, to pay rate of equipment used to pull	13.36
Twin Engine	13.66
SAWS, CONCRETE	13.66
SCRAPERS	
Carryall Type - Single	13.66
Carryall Type - Double	13.81
SCREED MAN	13.69
SHOVELS	
Crawler & Truck Type, all attachments - 3 yds. & under	14.06
Crawler & Truck Type, all attachments - over 3 yds up to 6 yds.	14.45
Crawler & Truck Type, all attachments - 6 yds. & over	15.00
Spreaders, Blaw Knox, Cedarapids, Jaeger, Flarrety or Similar Type	13.69
Slip Form Paver, Zimmerman CMI & Similar Type	14.45
Sub Grader, Curries, CMI, CMI Rotomill & Similar Types	14.06
Tractor, Farmall Type, 60 horsepower & under	13.36
Tractors, Farmall Type, over 60 horsepower	13.50
Tractors, Farmall Type used as Backhoes, Rubber tired - Ford, Ferguson, Case & Similar - 60 H.P. & under	13.84
Tractors, Farmall Type used as Backhoes, Rubber Tired - Ford, Ferguson, Case & Similar - over 60 H.P.	14.06
Tournapulls, Caterpillar, Euclid Scrapers & Similar Type Equipment - 25 yards and under	13.76
Tournapulls, Caterpillar, Euclid Scrapers & Similar Type Equipment - over 25 yards thru 40 yards	14.06
Tournapull, Caterpillar, Euclid Scrapers - over 40 yds. thru 55 yds.	14.37
Tournapulls, Caterpillar, Euclid Scrapers - over 55 yds. thru 70 yds.	14.67
Tournapulls, Caterpillar, Euclid Scrapers - over 70 yds. thru 85 yds.	14.98
Tournapulls, Caterpillar, Euclid Scrapers over 85 yds thru 100 yds.	15.28
Tournapulls, Caterpillar, Euclid Scrapers over 100 To be negotiated	
Trenching Machines, including underwater remote-controlled units:	
Under 16 inches	13.69
16 inches and over	13.95

Master Mechanics - $3.00 per day over Shovel Scale

Foreman - $0.40 per hour over highest classification under his supervision.

FRINGE BENEFITS - OPERATING ENGINEERS

Health & Welfare	.85
Pension Fund	1.50
Training Fund	.11

PREVAILING WAGE RATES
(Effective Date 10-29-79)

TRUCK DRIVERS FOR NORTHWESTERN WASHINGTON

The following classifications and rates of wage are for all the counties in the Northwestern Washington area as heretofore listed.

A-FRAME OR HYDRALIFT TRUCKS OR SIMILAR EQUIPMENT WHEN A-FRAME OF HYDRALIFT OR SIMILAR EQUIPMENT IS IN USE	13.99
BUGGYMOBILE	13.68
BULK CEMENT TANKER	13.84
BULL LIFTS, OR SIMILAR EQUIPMENT USED IN LOADING OR UNLOADING TRUCKS, TRANSPORTING MATERIALS ON JOB SITES:	
Warehousing	13.51
Other Than Warehousing	13.86
BUS OR MANHAUL	13.51
DUMPSTERS, AND SIMILAR EQUIPMENT TOURNOROCKERS, TOURNOWAGON, TOURNOTRAILER, CAT DW SERIES, TERRA COBRA, LE TOURNEAU, WESTINGHOUSE, ATHEY WAGON, EUCLID, TWO AND FOUR-WHEELED POWER TRACTOR WITH TRAILER AND SIMILAR TOP-LOADED EQUIPMENT TRANSPORTING MATERIAL AND PERFORMING WORK IN TEAMSTER JURISDICTION. DUMP TRUCKS SIDE, END AND BOTTOM DUMP, INCLUDING SEMI-TRUCKS AND TRAINS OR COMBINATIONS THEREOF:	
Up to and including 5 yards	13.51
Over 5 yards to and including 12 yards	13.73
Over 12 yards to and including 16 yards	13.79
Over 16 yards to and including 20 yards	13.84
Over 20 yards to and including 30 yards	14.01
Over 30 yards to and including 40 yards	14.17
Over 40 yards to and including 55 yards	14.33
- 15¢ per hour increase for each 10 yard increment over 55 yards	
EXPLOSIVE TRUCK - FIELD MIX - & SIMILAR EQUIPMENT	13.73
FLATBED	
Single Rear Axle	13.51
Dual Rear Axle	13.62
GREASE TRUCK, FUEL TRUCK, GREASER, BATTERY SERVICE MAN AND/OR TIRE SERVICE MAN	13.51
HYSTER OPERATORS - HANDLING BULK LOOSE AGGREGATES	13.68
LEVERMAN & LOADERS AT BUNKERS & BATCH PLANTS	13.41
LOWBED H.D. TRAILER	
Under 50 Ton Gross	13.73
50 Ton Gross through 100 gross	14.01
Over 100 gross	14.17

PREVAILING WAGE RATES
(Effective Date 10-29-79)

MECHANIC	13.85
MECHANIC HELPER	13.26
PICKUP TRUCK, ESCORT OR PILOT CAR	13.41
ROAD OIL DISTRIBUTOR DRIVER	13.73
SCISSOR TRUCK	13.51
SLURRY TRUCK	13.73
SNO-GO & SIMILAR EQUIPMENT	13.73
SPREADER, FLAHERTY	13.51
STRADDLE CARRIER ROSS, HYSTER - AND SIMILAR EQUIPMENT	13.68
SWAMPERS	13.41
TEAM DRIVER	13.46
TRACTOR, SMALL RUBBER-TIRED - WHEN USED WITHIN TEAMSTER JURISDICTION	13.51
TRANSIT-MIX USED EXCLUSIVELY IN HEAVY CONSTRUCTION	
0 to and including 4½ yards	13.72
Over 4½ yards to and including 6 yards	13.89
Over 6 yards to and including 8 yards	14.05
Over 8 yards to and including 10 yards	14.21
Over 10 yards to and including 12 yards	14.38
Over 12 yards to and including 16 yards	14.54
Over 16 yards to and including 20 yards	14.70
Over 20 yards	14.86

Note: All types of trucks or equipment used to haul Portland Cement Ready-Mix shall be governed by the Transit-Mix Scales.

VACUUM TRUCK	13.51
WAREHOUSEMAN AND CHECKERS	13.41
WATER WAGON AND TANK TRUCK	
Up to 1600 Gallons	13.51
1600 Gallons to 3000 Gallons	13.68
Over 3000 Gallons	13.84
WINCH TRUCK	
Single Rear Axle	13.51
Dual Rear Axle	13.73
WRECKER, TOW TRUCK AND SIMILAR EQUIPMENT	13.51

FRINGE BENEFITS - TRUCK DRIVERS:

Health and Welfare	.99
Pension Fund	1.07
Training Fund	.09

PREVAILING WAGE RATES
(Effective Date 10-29-79)

LABORERS FOR NORTHWEST WASHINGTON

The following classifications and rates of wage are for all the counties in the Northwestern Washington area as heretofore listed, except laborers in the western portion of the following counties; namely, Chelan, Douglas, Kittitas, Okanogan and Yakima. See individual listing.

GROUP I $11.23

General Laborer
Asphalt Laborers
Batch Weighman
Broomers
Brush Cutter
Brush Hog Feeder
Burners
Car & Truck Loader
Carpenter Helper
Cement Handler
Changehouse or Dry Shack
Chocker Setter
Cleanup Laborer
Concrete Form Stripper
Concrete & Monolithic Laborer
Crush Feeder
Curing Laborer
Demolition: Wrecking & Moving - including charred material
Ditch Digger
Drierman
Dumpman
Elevator Feeders
Faller - Bucker - Hand
Fence Laborer
Fine Graders
Flagman
Form Setter
Grout Machine Header Tender
Header Laborer & Guardrail Erector
House Wrecker
Material Yard Man - including Electrical
Nipper-Swamper
Pilot Car
Pitman
Pot Tender
Rip Rap Man
Scaleman
Signalman
Skipman
Sloper Sprayman
Stockpiler
Toolroom Man - at job site
Track Laborer
Truck Spotter
Window Cleaner

PREVAILING WAGE RATES
(Effective Date 10-29-79)

LABORERS FOR NORTHWEST WASHINGTON

GROUP II $11.57

Air Gas or Electric Vibrating Screed
Anchor Machines
Ballast Regulator Machines
Chippers
Chocker Splicer
Chuck Tender
Clary Power Spreader & Others
Concrete Saw Operator
Gabian Basket Builder
Grinders
Groutman - Pressure, Including Post Tension Beams
Jackhammer
Multiple Tampers
Pavement Breaker
Pipe Pot Tender
Pipe Wrapper
Powderman's Helper
Power Jacks
Power Wheelbarrow or Buggy
Railroad Spike Puller
Ribbon Setter, Head
Rip Rap Man, Head
Rodder
Sloper - over 20 feet
Stake Hopper
Swinging Scaffold or Boatswain Chair over water or 25 feet in height
Tamper - Multiple & Self Propelled
Tamper and Similar Electric and Air Operated Tools
Topman - Tailman
Track Liners
Vibrator
Wagon Driller and Air Trac Helper
Well Point Laborer

GROUP III $11.71

Bit Grinder and Drill Doctor
Cement Dumper - Paving
Cement Finisher Helper
Faller & Bucker Chain Saw
Grade Checker and Transit Man
High Scaler
Laser Beam Operator
Manhole Builder
Mortarman and Hodcarrier

PREVAILING WAGE RATES
(Effective Date 10-29-79)

GROUP III (Continued) $11.71

Nozzleman - Concrete Pump, Green Cutter when using combination of high pressure air and water on concrete and rock, sandblast, Gunnite, Shotcrete - Water Blaster
Pipe Layer & Caulker
Powderman
Raker - Asphalt
Spreader - carries grade with Rodder
Timberman - Sewer
Tugger Operator
Vibrator 4" and over
Wagon Driller and Air Trac Operator

GROUP IV $11.81

Caisson Worker
Laser Beam Operator - Tunnel
Miner
Spader - Tunnel
Powderman
Re-Timberman
Maintenance Man
Foremen - Fifty cents per hour above the highest Laborer's Classification Supervised

FRINGE BENEFITS - LABORERS

Health & Welfare	.95
Pension	1.10
Training Fund	.08

HOURLY SCALE OF WAGES

In the event any dispute arises as to whether the above rates are the prevailing rates for this locality, and the dispute cannot be adjusted by the parties involved, the matter shall be referred for arbitration to the Director of the Department of Labor and Industries of the State of Washington, and his decision therein shall be final and conclusive and binding on all parties involved in the dispute.

Weekly payroll reports shall be filed with the Secretary of the Board of Public Works, containing the following items:

1. Name and residence address
2. Classification of work as defined by specifications
3. Number of hours employed each day
4. Total number of hours employed each payroll period
5. Rate of wages
6. Total amount earned
7. Deductions for Medical Aid
8. Net amount paid
9. Whether a citizen of the United States
10. Whether a head of a family

Work performed at the straight-time rate shall be shown on one line of the payroll for each day and any overtime worked; travel time or other additional compensation must be shown on a separate line for each day and extended at the premium rate.

Payroll reports shall be signed by the Contractor or his duly authorized agent.

An authorization for an agent, in substantially the following form, shall be submitted with the first payroll report for each project. If the agent is changed, a new authorization will be required.

I-30-17

AFFIDAVIT

I,_____, hereby certify that _____
(Affiant) (Agent)

_____, pay(s) or supervise(s) the paying of the employees of _____
(Title)

_____, on the following project for the City of Seattle,_____

_____, Ordinance No._____, L.I.D. No._____, and is in a
(Name of Project)

position to have full knowledge of the facts set forth in the affidavit respecting the payment of wages of employees working on the project herein mentioned.

_____
Affiant

Sworn to before me this _____day of _____, 19_____.

_____
Notary Public

The affidavit accompanying each payroll report shall be substantially the following form.

I,_____ _____
(Name of Affiant) (Title)

hereby certify that I pay or supervise the payment of the persons employed by _____

_____, on the following project for the City of Seattle,
(Contractor)

_____, Ordinance No._____, L.I.D. _____.

That the attached payroll sets out accurately and completely the name, occupation, hourly wage rate, total number of hours worked and the full weekly wages earned, of each person employed on the above project for the weekly payroll period from the _____day of _____,19__ to the _____day of _____, 19_____:

That no laborer, workman or mechanic employed on the above project has been paid less than the prevailing rate of wage or less than the minimum rate of wage specified in the contract:

That no rebates have been made either directly or indirectly to or on behalf of said Contractor from the full weekly wages earned as set out on the attached payroll and that the full amount due has been paid.

_____
Signature of Affiant

Sworn to before me this _____day of _____, 19_____

_____
Notary Public

The City Comptroller will withhold payment on all estimates for work performed by the Contractor under this contract until all payroll reports of said Contractor for work performed have been filed with the Secretary of the Board of Public Works.

federal register

Friday
July 20, 1979

Part II

Department of Labor

Employment Standards Administration

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination Decisions

DEPARTMENT OF LABOR

Employment Standards Administration, Wage and Hour Division

Minimum Wages for Federal and Federally Assisted Construction; General Wage Determination Decisions

General wage determination decisions of the Secretary of Labor specify, in accordance with applicable law and on the basis of information available to the Department of Labor from its study of local wage conditions and from other sources, the basic hourly wage rates and fringe benefit payments which are determined to be prevailing for the described classes of laborers and mechanics employed in construction activity of the character and in the localities specified therein.

The determinations in these decisions of such prevailing rates and fringe benefits have been made by authority of the Secretary of Labor pursuant to the provisions of the Davis-Bacon Act of March 3, 1931, as amended (46 Stat. 1494, as amended, 40 U.S.C. 276a) and of other Federal statutes referred to in 29 CFR 1.1 (including the statutes listed at 36 FR 306 following Secretary of Labor's order No. 24–70) containing provisions for the payment of wages which are dependent upon determination by the Secretary of Labor under the Davis-Bacon Act; and pursuant to the provisions of part 1 of subtitle A of title 29 of Code of Federal Regulations, Procedure for Predetermination of Wage Rates (37 FR 21138) and of Secretary of Labor's Orders 12–71 and 15–71 (36 FR 8755, 8756). The prevailing rates and fringe benefits determined in these decisions shall, in accordance with the provisions of the foregoing statutes, constitute the minimum wages payable on Federal and federally assisted construction projects to laborers and mechanics of the specified classes engaged on contract work of the character and in the localities described therein.

Good cause is hereby found for not utilizing notice and public procedure thereon prior to the issuance of these determinations as prescribed in 5 U.S.C. 553 and not providing for delay in effective date as prescribed in that section, because the necessity to issue construction industry wage determination frequently and in large volume causes procedures to be impractical and contrary to the public interest.

General wage determination decisions are effective from their date of publication in the Federal Register without limitation as to time and are to be used in accordance with the provisions of 29 CFR Parts 1 and 5. Accordingly, the applicable decision together with any modifications issued subsequent to its publication date shall be made a part of every contract for performance of the described work within the geographic area indicated as required by an applicable Federal prevailing wage law and 29 CFR, Part 5. The wage rates contained therein shall be the minimum paid under such contract by contractors and subcontractors on the work.

Modifications and Supersedeas Decisions to General Wage Determination Decisions

Modifications and Supersedeas Decisions to General Wage Determination Decisions are based upon information obtained concerning changes in prevailing hourly wage rates and fringe benefit payments since the decisions were issued.

The determinations of prevailing rates and fringe benefits made in the Modifications and Supersedeas Decisions have been made by authority of the Secretary of Labor pursuant to the provisions of the Davis-Bacon Act of March 3, 1931, as amended (46 Stat. 1494, as amended, 40 U.S.C. 276a) and of other Federal statutes referred to in 29 CFR 1.1 (including the statutes listed at 36 FR 306 following Secretary of Labor's order No. 24–70) containing provisions for the payment of wages which are dependent upon determination by the Secretary of Labor under the Davis-Bacon Act; and pursuant to the provisions of part 1 of subtitle A of title 29 of Code of Federal Regulations, Procedure for Predetermination of Wage Rates (37 FR 21138) and of Secretary of Labor's orders 13–71 and 15–71 (36 FR 8755, 8756). The prevailing rates and fringe benefits determined in foregoing general wage determination decisions, as hereby modified, and/or superseded shall, in accordance with the provisions of the foregoing statutes, constitute the minimum wages payable on Federal and federally assisted construction projects to laborers and mechanics of the specified classes engaged in contract work of the character and in the localities described therein.

Modifications and Supersedeas Decisions are effective from their date of publication in the Federal Register without limitation as to time and are to be used in accordance with the provisions of 29 CFR Parts 1 and 5.

Any person, organization, or governmental agency having an interest in the wages determined as prevailing is encouraged to submit wage rate information for consideration by the Department. Further information and self-explanatory forms for the purpose of submitting this data may be obtained by writing to the U.S. Department of Labor, Employment Standards Administration, Wage & Hour Division, Office of Government Contract Wage Standards, Division of Construction Wage Determinations, Washington, D.C. 20210. The cause for not utilizing the rulemaking procedures prescribed in 5 U.S.C. 553 has been set forth in the original General Wage Determination Decision.

New General Wage Determination Decisions

Maryland—MD79–3021
Mississippi—MS79–1112

Modifications to General Wage Determination Decisions

The number of the decisions being modified and their dates of publication in the Federal Register are listed with each State.

Florida:	
FL77–1008	January 21, 1979
FL78–1017	January 26, 1979
FL79–1019	February 2, 1979
FL79–1030	February 9, 1979
FL79–1039	February 16, 1979
FL79–1040	February 16, 1979
FL79–1091	April 13, 1979
FL79–1089	April 20, 1979
Maryland:	
MD79–3089	April 14, 1979
Michigan:	
MI79–3012	
MI79–3013	
MI79–3015	
MI79–3016	
MI79–3019	May 4, 1979
MI79–3089	June 1, 1979
Oklahoma:	
OK79–4084	
OK79–4086	June 8, 1979
OK79–4064	
OK79–4088	
OK79–4082	June 16, 1979
OK79–4023	February 2, 1979
Pennsylvania:	
PA79–3088	September 28, 1979
West Virginia:	
WV79–3018	June 8, 1979

Supersedeas Decisions to General Wage Determination Decisions

The numbers of the decisions being superseded and their dates of publication in the Federal Register are listed with each State. Supersedeas decision numbers are in parenthesis following the numbers of the decisions being superseded.

Florida:	
FL78–1070 (FL78–1113)	August 25, 1978.
FL78–1029 (FL78–1109)	
FL78–1029 (FL78–1111)	February 9, 1979.
FL78–1041 (FL78–1110)	February 16, 1979.
Louisiana:	
LA78–4001 (LA78–4089)	January 5, 1979.
New York:	
NY77–3003 (NY78–3022)	July 1, 1977
Pennsylvania:	
PA78–3017 (PA78–3029)	May 5, 1978.
Washington:	
WA78–5133 (WA78–5128)	December 25, 1978.

Cancellation of General Wage Determination Decisions

None

Signed at Washington, D.C. this 13th day of July, 1979.

Dorothy P. Comb,
Assistant Administrator, Wage and Hour Division.

BILLING CODE 4510-27-M

DECISION #WA79-5126-Mod. 81 (44 FR 42886 - July 20, 1979) Statewide, Washington	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
Change:					
Truck Drivers (Area 2): (All Counties and portions of Counties West of the 120th Meridian, except those enumerated in Area 3, including the Northern portion of Pacific County and all of Kittitas and Yakima Counties)					
Group 1	$13.41	.94	$1.12		.09
Group 2	13.46	.94	1.12		.09
Group 3	13.51	.94	1.12		.09
Group 4	13.62	.94	1.12		.09
Group 5	13.68	.94	1.12		.09
Group 6	13.72	.94	1.12		.09
Group 7	13.73	.94	1.12		.09
Group 8	13.79	.94	1.12		.09
Group 9	13.84	.94	1.12		.09
Group 10	13.86	.94	1.12		.09
Group 11	13.89	.94	1.12		.09
Group 12	13.99	.94	1.12		.09
Group 13	14.01	.94	1.12		.09
Group 14	14.05	.94	1.12		.09
Group 15	14.17	.94	1.12		.09
Group 16	14.21	.94	1.12		.09
Group 17	14.33	.94	1.12		.09
Group 18	14.38	.94	1.12		.09
Group 19	14.54	.94	1.12		.09
Group 20	14.70	.94	1.12		.09
Group 21	14.86	.94	1.12		.09

SUPERSEDEAS DECISION

STATE: Washington
DECISION NUMBER: WA79-5126
COUNTIES: Statewide
DATE : Date of Publication
Supersedes Decision No. WA78-5133 dated December 29, 1978, in 43 FR 61199
DESCRIPTION OF WORK: Building Projects (does not include single family homes and apartments up to and including 4 stories), Heavy, and Highway construction, and Dredging

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
ASBESTOS WORKERS:					
Chelan, Clallam, Douglas, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Okanogan, Pacific (Northern portion), Pierce, San Juan, Skagit, Snohomish, Thurston, Whatcom and Yakima Counties	$ 15.78	.72	$ 1.30		.03
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties	14.27	.60	1.30		.14
Remaining Counties	13.54	.62	1.30		.04
BOILERMAKERS	12.76	1.075	1.00	1.00	.03
BRICKLAYERS:					
Adams (except City of Othello), Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Spokane, Stevens, Grand Coulee Dam Area in Okanogan County and Whitman Counties	13.11	.00	1.00		.04
Benton, Franklin and Walla Walla Counties	12.51	.00	.40		
Chelan, Douglas and Okanogan (except area of Grand Coulee Dam)	11.96	.00	1.00		.05
Clallam, Island, Jefferson, King, Kitsap, Snohomish and Skagit (south of the Cities of Burlington, Sedro-Woolley and Concrete) Counties	13.43	.00	1.35		.11
Clark, Cowlitz, Pacific (Southern portion), Skamania, Wahkiakum Counties and ten mile strip bordering the Columbia River in Klickitat County	12.94	.05	.05		.15
Grant County and the portion of Adams County including the City of Othello	12.50	.40			

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
BRICKLAYERS: (Cont'd)					
Kittitas, Yakima and Klickitat (except a ten mile strip bordering the Columbia River) Counties	$ 12.25	.75	$ 1.00		
Grays Harbor, Lewis, Mason, Northern portion of Pacific, Pierce and Thurston Counties	13.43	.00	1.55		.12
San Juan, Skagit (including the Cities of Burlington, Sedro-Woolley, Concrete and north thereof), and Whatcom Counties	13.84	.00	1.25		.06
CARPENTERS:					
All Counties and parts of Counties east of the 120th Meridian (except those parts of Kittitas, Klickitat and Yakima east of the 120th Meridian)					
Carpenters	12.34	.03	.90		.075
Piledrivers; Floor Sanders; Saw Filers; Stationary Power Woodworking Tool Operator	12.49	.03	.90		.075
Boom Men; Carpenters (creosoted material)	12.59	.03	.90		.075
Piledriver (creosoted material)	12.74	.03	.90		.075
Millwrights and Machine Erectors	12.84	.03	.90		.075
All Counties and parts of Counties west of the 120th Meridian except Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Carpenters and Drywall Applicators	13.04	.70	.85		.02
Carpenters on Creosoted material	13.14	.70	.85		.02

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
CARPENTERS: (Cont'd)					
Sawfilers; Stationary Power Saw; Floor Finisher; Floor Layer; Shingler; Floor Sander and other stationary power woodworking tools	$ 13.17	.70	.85		.02
Millwrights and Machine Erectors	13.54	.70	.85		.02
Piledrivers; Bridge, dock and wharf builders	13.19	.70	.85		.02
Acoustical Workers	13.20	.70	.85		.02
Boomman	13.24	.70	.85		.02
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Acoustical and Drywall Applicator, Automatic Nailing Machine, Carpenters, Form Strippers, Manhole Builders	12.12	.00	1.00	.65	.04
Floor Layers and Finishers, Stationary Power Saw Operator	12.27	.00	1.00	.65	.04
Millwrights and Machine Erectors	12.37	.00	1.00	.65	.04
Certified Welders, Instrument Men	12.52	.00	1.00	.65	.04
Piledrivermen; Bridge, Dock and Wharf Builders	12.22	.00	1.00	.65	.04
Boom Men	12.32	.00	1.00	.65	.04
CEMENT MASONS:*					
Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas (except for Western portion lying one mile west of the City of Easton), Lincoln, Okanogan, Pend Oreille, Spokane Stevens, Walla Walla, Whitman and Yakima Counties					
Cement Masons					
Zone A	11.33	.90	1.25		.10
Zone B	12.03	.90	1.25		.10
Zone C	12.28	.90	1.25		.10

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
CEMENT MASONS:* (Cont'd)					
Zone D	$ 12.73	.90	$ 1.25		.10
Zone E	13.23	.90	1.25		.10
Power Traveling Machine Gunnite Operator					
Zone A	11.48	.90	1.25		.10
Zone B	12.18	.90	1.25		.10
Zone C	12.43	.90	1.25		.10
Zone D	12.88	.90	1.25		.10
Zone E	13.38	.90	1.25		.10
Power Tool Operator (grinding, beshing or toxic material)					
Zone A	11.78	.90	1.25		.10
Zone B	12.48	.90	1.25		.10
Zone C	12.73	.90	1.25		.10
Zone D	13.18	.90	1.25		.10
Zone E	13.68	.90	1.25		.10
Clallam, Grays Harbor, Jefferson, King, Kitsap, Kittitas (western portion lying one mile west of the City of Easton), Lewis, Mason, Pacific (Northern portion), Pierce and Thurston Counties:					
Cement Masons	11.53	.70	1.00	.50	.02
Composition, Color, Mastic, Trowel Machine; Grinder, Power Tool, Gunnite Nozzleman	11.78	.70	1.00	.50	.02
Island, Skagit, Snohomish and Whatcom Counties:					
Cement Masons	11.95	.94	.70		.09
Composition, Color, Mastic, Trowel Machine, Grinder, Powdr Tools, Gunnite Nozzleman	12.20	.94	.70		.09
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Cement Masons	11.50	.90	1.00	1.00	.15
Composition materials and power machinery	11.65	.90	1.00	1.00	.15

*SEE ZONE DESCRIPTIONS FOR CEMENT MASONS FOLLOWING TRUCK DRIVERS CLASSIFICATIONS

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
ELECTRICIANS:					
Adams, Ferry, Lincoln, Pend Oreille, Spokane, Stevens and Whitman Counties					
Electricians	@ 14.62	.83	3%+.48		.02
Cable Splicers	15.62	.83	3%+.48		.02
Asotin, Benton, Columbia, Franklin, Garfield, Kittitas, Walla Walla and Yakima Cos.					
Electricians	14.27	.83	3%+1.00		.02
Cable Splicers	15.09	.83	3%+1.00		.02
Chelan, Douglas, Grant, and Okanogan Counties					
Electricians	13.92	.83	3%+1.00		.02
Cable Splicers	15.31	.83	3%+1.00		.02
Clallam, Jefferson, King and Kitsap Counties					
Electricians	15.00	.85	3%+1.10		.05
Cable Splicers	16.58	.85	3%+1.10		.05
Clark, Klickitat and Skamania Counties					
Electricians	15.95	.90	3%+1.60		.10
Cable Splicers	16.70	.90	3%+1.60		.10
Cowlitz and Wahkiakum Counties					
Electricians	14.30	.90	3%	5%	.02
Cable Splicers	15.73	.90	3%	5%	.02
Grays Harbor, Lewis, Mason, Pierce, Pacific & Thurston Cos.					
Electricians	13.86	.88	3%+.85	8%	.07
Cable Splicers	15.25	.88	3%+.85	8%	.07
Island, San Juan, Skagit, Snohomish and Whatcom Counties					
Electricians	13.77	.90	3%+.40		.04
Cable Splicers	17.35	.90	3%+.40		.04

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
ELECTRONIC TECHNICIANS:					
(Installation and repair of low-voltage communication and alarm systems, excluding any work under the jurisdiction of a journeyman wireman):					
Adams, Ferry, Lincoln, Pend Oreille, Spokane, Stevens, and Whitman Counties					
Journeyman Installer	@ 7.30	.43			.02
ELEVATOR CONSTRUCTORS:					
Adams; Asotin, Benton; Columbia; Douglas, Ferry; Franklin; Garfield; Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla and Whitman Counties	13.95	.895	.69	a	.035
Chelan, Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas; Lewis, Mason, Pacific (Northern portion), Pierce, San Juan; Skagit, Snohomish, Thurston, Whatcom and Yakima Counties	14.41	.895	.69	a	.035
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Cos.	13.405	.895	.69	a	.035
GLAZIERS:					
Adams (northeastern portion), Lincoln (eastern half); Pend Oreille, Spokane and Stevens Counties	11.13	.42	.30	b	
Adams (Southeastern portion), Benton, Columbia, Franklin and Walla Walla Counties	10.77	.40	.83	.66	
Adams (Southwestern corner), Chelan, Douglas, Grant, Lincoln, (western half) and Okanogan Cos.	8.25	.40	.70	.39	.02

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
GLAZIERS: (Cont'd)					
Asotin, Garfield and Whitman Counties	$ 10.26	.47	.45	b	
Clallam, Island, Jefferson, Grays Harbor, King, Kitsap, Lewis, Mason, Pacific (Northern portion), Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom Counties	11.19	.34	.85	b	
Yakima and Kittitas Counties	10.11	.35	.70		
Clark, Cowlitz, Klickitat, Pacific (southern portion), Skamania and Wahkiakum Counties	11.41	.61	.65		.01
INSULATION APPLICATORS:					
King County	9.55	.60	.80		.02
IRONWORKERS:					
Statewide except Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Reinforcing; Structural; Fence Erectors; Ornamental; Riggers and Signalmen	13.66	.93	1.70		.10
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Reinforcing; Structural; Fence Erectors; Ornamental; Riggers; Signalmen	13.66	.93	1.70		.10
LATHERS:					
Adams, Asotin, Benton, Chelan, Columbia, Ferry, Franklin, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman and Yakima Counties	11.00	.90	1.25		
Clallam, Island, Jefferson, King, Kitsap, Lewis, Pacific (Northern portion), Pierce, San Juan, Skagit, Snohomish and Whatcom Counties	13.01	.85	1.00		.04
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties	11.85	.60	1.00		.01

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
MARBLE SETTERS:					
Adams (except that portion including the City of Othello), Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Spokane, Stevens and Whitman Counties, and Grand Coulee Dam Area in Okanogan County	$ 13.11	.80	$ 1.00		.04
Benton, Franklin and Walla Walla Counties	12.51	.80	.60		
Chelan, Douglas and Okanogan Counties (except area of Grand Coulee Dam)	11.96	.80	1.00		.05
Clallam, Island, Jefferson, King, Kitsap, Snohomish and Skagit (south of the Cities of Burlington, Sedro-Woolley and Concrete) Counties	13.43	.80	1.55		.11
Clark, Cowlitz, Pacific (Southern portion), Skamania, Wahkiakum Counties and a ten mile strip bordering the Columbia River in Klickitat County	11.83	.75	.85		.15
Grant County and that portion of Adams County including the City of Othello	12.50	.60			
Grays Harbor, Lewis, Mason, Northern half of Pacific, Pierce and Thurston Counties	13.43	.80	1.55		.12
San Juan, Skagit (including the Cities of Burlington, Sedro-Woolley, Concrete and north thereof) and Whatcom Counties	13.84	.80	1.25		.06
MARBLE, TILE and TERRAZZO WORKERS HELPERS:					
All Counties west of the Cascade Mountain Range (except Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties	9.52	.65	.30		

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
MASON TENDERS:					
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties (including tenders of plasterers, bricklayers, tile setters, marble setters and terrazzo workers; topping for cement finishers and mortar mixers)	$11.15	.95	$ 1.10		.10
PAINTERS:					
Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman and Yakima Counties					
Brush	11.05	.47	1.00		.02
Steel; Spray; Steam Cleaning; Roller over 9" or 18" handle; Drywall Taper	12.10	.47	1.00		.02
Swing Stage work or high rate (over 30')	12.20	.47	1.00		.02
Bitumastic; Sandblasting; Bridges; Tanks on legs; Tower; Stacks; Steeples	12.25	.47	1.00		.02
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties					
Brush	10.82	.55	.70	.50	.10
Spray	11.22	.55	.70	.50	.10
Bridges, High work over 50' (brush)	11.57	.55	.70	.50	.10
Bridges, High work over 50' (spray)	11.97	.55	.70	.50	.10
Drywall Finishers	10.65	.65	.60	.50	.06

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
PAINTERS: (Cont'd)					
Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston, Pacific (Northern portion) and Whatcom Counties					
Brush; Roller; Drywall Tapers; Paperhangers	$ 10.53	.68	.70		.04
Spray; Structural Steel; Bridge; Sandblasting; Stacks; Steam Cleaning; Steeples; Swing Stage; Tanks on legs; Toxic Material	10.77	.68	.70		.04
Tower Painters	10.88	.68	.70		.04
Statewide except Wahkiakum, Cowlitz and Skamania Counties					
Striper	13.66	.69	.25		
PLASTERERS:					
Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman and Yakima Counties	11.18	.98	1.25		
Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Lewis, Mason, Pacific (Northern portion), Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom Counties	12.74	.85	1.25		.08
Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties	11.85	.68	1.00		.01
PLASTERERS' TENDERS:					
All Counties and portions of Counties East of the 120th Meridian	10.75	.82	1.00		.06

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
PLUMBERS:					
Chelan, Clallam, King, Kittitas (north of 47°15' N. Lat.), Douglas (west of the 119°30' W. Long.), Jefferson and Okanogan (except the area lying east of the 119°30' W. Long., North to 48°30' W. Long., North lines) Counties	$ 13.90	.89	$ 1.81	$1.25	.12
Adams (except area between a line drawn South from the western boundray of Ferry County to Highway #10 eastward to Whitman County), Asotin, Benton, Columbia, Franklin, Garfield, Grant, Klickitat, Walla Walla, Yakima, Douglas (east of 119°30' W. Long.), Ferry (west of a line drawn from Creston in Lincoln County northward to the Canadian Border), Kittitas (south of 47°15' N. Lat.), Lincoln (west of a line drawn from Schrag in Adams County northward to the Ferry County Line), and Okanogan (east of 119°30' W. Long. and south of 48°30' N. Lat.) Counties	14.64	.87	1.70	2.00	.12

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
PLUMBERS: (Cont'd)					
Adams (area between a line drawn south from the western boundary of Ferry County to Highway #10 and eastward to Whitman County), Asotin, Cowlitz, Ferry (east of a line drawn from Creston in Lincoln County northward to the Canadian Border), Grays Harbor, Kitsap, Lewis, Lincoln (east of a line drawn from Schrag in Adams County northward to the Ferry County Line), Mason, Pend Oreille, Pierce, Skagit, Snohomish, Spokane, Stevens, Thurston, Wahkiakum, Whatcom, Whitman, Clark and Skamania (those portions lying north of an east-west line drawn through Woodland eastward to the Klickitat County Line) Counties	$ 14.73	.90	$ 1.45	$ 2.00	.12
Clark and Skamania Counties south of an east-west line drawn through Woodland eastward to the Klickitat County Line	14.32	1.90	1.60		.13
ROOFERS:					
Adams, Asotin, Chelan, Columbia, Douglas, Ferry, Garfield, Grant, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, Benton, Franklin, Kittitas, Klickitat and Yakima Counties	10.39	.68	1.00		.02
Clallam, Jefferson, King, Kitsap, Mason and Snohomish Counties					
Roofers, Waterproofers	12.71	.78	1.00		.01
Slate and Tile Roofers	12.96	.78	1.00		.01

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	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
ROOFERS: (Cont'd)					
Coulitz, Grays Harbor, Lewis, Pacific, Pierce, Thurston and Wahkiakum Counties					
Roofers; Waterproofers	$12.33	.75	$ 1.10		.02
Slate and Tile Roofers	12.58	.75	1.10		.02
Island, San Juan, Skagit and Whatcom Counties					
Roofers and Waterproofers	10.13	.55	.40		
Slate and Tile Roofers	10.63	.55	.40		
Clark and Skamania Counties					
Roofers	12.05	.70	1.10		
Handling of irritating material (coal, tar or epoxy)	12.30	.70	1.10		
Handling of irritating material (coal, tar or epoxy) in confined area	12.55	.70	1.10		
SHEET METAL WORKERS:					
Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman and Yakima Counties	13.88	3%+.60	1.14		.14
Clallam, Jefferson, Kitsap and Mason Counties	13.98	3%+.64	.94	2.00	.14
Clark and Skamania Counties	11.14	3%+.81	.93	1.00	.04
Coulits, Grays Harbor, Lewis, Pacific, Pierce, Thurston and Wahkiakum Counties	13.81	3%+.63	1.81		.02
King, Kittitas, Island and Snohomish Counties	14.23	3%+.68	1.32		.06
Whatcom, Skagit and San Juan Counties	12.53	3%+.61	.83		.04
Soft floor layers:					
Adams (N.E. portion), Ferry, Lincoln (E. ½), Pend Oreille, Spokane and Stevens Counties	10.52	.40	.60		

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	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
SOFT FLOOR LAYERS: (Cont'd)					
Adams (S.E. portion), Benton, Columbia, Franklin and Walla Walla Counties	$ 10.66	.40	.90	$1.21	
Adams (S.W. portion), Chelan, Douglas, Grant, Lincoln (Western half), and Okanogan Counties	11.00	.40	.90	.60	
Asotin, Garfield and Whitman Counties	9.93	.40	.75		
King and Snohomish Counties	11.14	.63	1.00		.05
Clark, Coulits, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties	10.435	.90	1.05		.08
Grays Harbor, Mason, Pacific (Northern portion), Pierce and Thurston Counties	9.91	.56	1.00		.05
Yakima and Kittitas Counties	10.62	.40	.35		
Island, Skagit and Whatcom Cos.	9.94	.56	1.00		.05
SPRINKLER FITTERS:					
Skagit, Snohomish, King, Island, Kitsap, Pierce and Thurston Counties	15.31	.75	1.55		.11
Remaining Counties	11.65	.65	.95		.08
TERRAZZO WORKERS:					
Adams (except that portion including the City of Othello), Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Spokane, Stevens, Whitman and Grand Coulee Dam area in Okanogan County	11.45	.80	.70		
Benton, Franklin and Walla Walla Counties	11.84	.80	.40		
Chelan, Douglas, Okanogan (except area of Grand Coulee Dam)	11.96	.80	1.00		.05
Clallam, Island, Jefferson, King, Kitsap, Skagit (south of the Cities of Burlington, Sedro-Woolley and Concrete) and Snohomish Counties	12.12	.80	1.00		.05

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
TERRAZZO WORKERS: (Cont'd)					
San Juan, Skagit (including Cities of Burlington, Sedro-Woolley, Concrete and north thereof) and Whatcom Counties	$ 12.82	.80	.85		
Grant County and that portion of Adams County including the City of Othello	12.50	.40			
Grays Harbor, Lewis, Mason, Pierce and Thurston Counties	12.13	.80	1.20		.06
TILE SETTERS:					
Adams (except that portion including the City of Othello), Asotin, Columbia, Ferry, Garfield, Lincoln, Pend Oreille, Spokane, Stevens, Whitman and Grand Coulee Dam area in Okanogan County	11.48	.80	.70		
Benton, Franklin and Walla Walla Counties	11.84	.80	.40		
Chelan, Douglas, Okanogan (except area of Grand Coulee Dam)	11.96	.80	1.00		.05
Clallam, Island, Jefferson, King, Kitsap, Skagit (south of the Cities of Burlington, Sedro-Woolley and Concrete) and Snohomish Counties	12.12	.80	1.00		.05
Clark, Cowlitz, Pacific (Southern portion), Skamania, Wahkiakum and a ten-mile strip bordering the Columbia River in Klickitat County	13.64	.80	1.00		.25
Grant County and that portion of Adams County including the City of Othello	12.50	.40			
Grays Harbor, Lewis, Mason, Pierce and Thurston Counties	12.13	.80	1.10		.06
San Juan, Skagit (including the Cities of Burlington, Sedro-Woolley, Concrete and north thereof) and Whatcom Counties	12.82	.80	.85		

WELDERS: Receive rate prescribed for craft performing operation to which welding is incidental.

*Where Pacific County is stated as "Northern Portion" or "Southern Portion" such areas are defined as follows:

Pacific (Northern portion) - North of Wahkiakum County Northern Boundary extended due West to the Pacific Ocean

Pacific (Southern portion) - South of Wahkiakum County Northern Boundary extended due West to the Pacific Ocean.

PAID HOLIDAYS:
A-New Year's Day; B-Memorial Day; C-Independence Day; D-Labor Day; E-Thanksgiving Day; F-Christmas Day.

FOOTNOTES:
a. Employer contributes 8% of basic hourly rate for over 5 years' service and 6% of basic hourly rate for 6 months to 5 years' service as Vacation Pay Credit. Six Paid Holidays: A through F.

b. Two weeks' vacation with pay after 1 year employment. Also seven Paid Holidays: A through F plus Washington's Birthday.

c. 4% of all gross wages to be placed to the credit of the employee with less than one year's service - 6% of all gross wages to be placed to the credit of the employee with more than one year of service.

LINE CONSTRUCTION

	BASE ZONE	ZONE 1	ZONE 2	ZONE 3	ZONE 4
Group 1: Cable Splicer, Leadman Pole Sprayer	$ 14.41	$15.66	$16.41	$17.16	$ 18.41
Group 2: Lineman, Pole Sprayer, Heavy Line Equipment Man, Certified Lineman Welder	13.01	14.26	15.01	15.76	17.01
Group 3: Tree Trimmer	11.75	13.00	13.75	14.50	15.75
Group 4: Line Equipment Man	11.21	12.46	13.21	13.96	15.21
Group 5: Head Ground (Chipper), Head Groundman, Powderman, Jackhammer Man	9.80	11.05	11.80	12.55	13.80
Group 6: Groundman, Tree Trimmer Helper	9.21	10.46	11.21	11.96	13.21

FRINGE BENEFITS PAYMENTS:

	Groups 1 to 3	Groups 4 to 6
Health and Welfare:	$.45	$.45
Pension	3%+1.10	3%+.70
Vacation	.10	.10,
Apprenticeship Training	1/20	1/20

ZONE DESCRIPTIONS:

BASE ZONE* 0 to 3 miles radius from the geographical center of the Cities listed below

ZONE 1 3 to 20 miles radius

ZONE 2 20 to 35 miles radius

ZONE 3 35 to 50 miles radius

ZONE 4 Over 50 miles radius

Spokane	Ellensburg	Astoria	Medford	Corvallis
Tacoma	Ephrata	Baker	Portland	Coeur D'Alene
Walla Walla	Everett	Burns	Pendleton	Kellog
Wenatchee	Kennewick	Bend	Salem	Lewiston
Yakima	Longview	Eugene	Roseburg	Orofino
Wilbur	Olympia	Seattle	Lakeview	The Dalles
Klamath Falls	Bellingham	Umatilla	Sand Point	

*Base Zone rate is paid when working out of employer's permanent shop.

LABORERS (Area 1)
All Counties and portions of Counties East of the 120th Meridian

HEAVY and HIGHWAY CONSTRUCTION

Group Nos.	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5
1	$ 10.20	$10.90	$11.15	$11.60	$ 12.10
2	10.45	11.15	11.40	11.85	12.35
3	10.70	11.40	11.65	12.10	12.60
4	10.95	11.65	11.90	12.35	12.85
5A	10.90	11.60	11.85	12.30	12.80
5B	11.10	11.80	12.05	12.50	13.00
5C	11.35	12.05	12.30	12.75	13.25
5D	11.40	12.10	12.35	12.80	13.30

FRINGE BENEFITS:

Health and Welfare	$.82	Pension	$1.00
Apprenticeship Training	.05		

**SEE ZONE DEFINITIONS - following TRUCK DRIVERS' Classifications

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
BUILDING CONSTRUCTION All Counties and portions of Counties East of the 120th Meridian					
Group 1	$ 10.20	.82	$ 1.00		.05
Group 2	10.45	.82	1.00		.05
Group 3	10.70	.82	1.00		.05
Group 4	10.95	.82	1.00		.05
Group 5A	10.90	.82	1.00		.05
Group 5B	11.10	.82	1.00		.05
Group 5C	11.35	.82	1.00		.05
Group 5D	11.40	.82	1.00		.05

LABORERS (AREA 1)
All Counties and portions of Counties East of the 120th Meridian

Group 1: Brush Hog Feeder; Concrete Crewman (to include: stripping of forms, hand operating jacks on slip form construction, application of concrete curing compounds, Pumpcrete Machine, Signaling, handling the nozzle of Squeezecrete or similar machine - 6 inches and smaller); Crusher Feeder; Demolition (to include: clean-up, burning, loading, wrecking and salvage of all material); Dumpman; Fence Erector (to include: Guard Rail, Guide and Reference Posts, Sign Posts, and Right-of-way Markers); Flagman; General Laborer; Grout Machine Header Tender; Nipper; Riprap Man; Scaffold Erector, wood or steel; Scaleman; Stake Jumper; Structural Mover (to include: separating foundation, preparation, cribbing, shoring, jacking and unloading of structures); Tailhoseman (water nozzle); Timber Bucker and Faller (by hand); Tractor Laborer (railroad); Truck Loader; Well-point Man; Window Cleaner

Group 2: Asphalt Raker; Asphalt Roller, walking; Carpenter Tender; Cement Plasterer Tender; Cement Handler; Concrete Saw, walking; Demolition Torch; Dope Pot Fireman, non-mechanical; Driller Helper (when required to move and position machine); Form Cleaning Machine Feeder; Stacker; Form Setter, paving; Grade Checker using level; Jackhammer Operator; Nozzleman (to include: squeeze and flow-crete nozzle); Nozzleman, water, air or steam; Pavement Breaker; Pipelayer, corrugated metal culvert; Pipelayer, multi-section; Pot Tender; Powderman Helper; Power Buggy Operator; Power Tool Operator, gas, electric, pneumatic; Railroad Equipment, power driven, except dual mobile power spiker or puller; Railroad Power Spiker or Puller, dual mobile; Rodder and Spreader; Sandblast Tailhoseman; Tamper (to include: operation of Barco, Essex and similar tampers, and pavement breakers); Trencher, Shawnee; Tugger Operator; Vibrator, under 4 inches; Wagon Drills; Water Pipe Liner; Wheelbarrow, power driven

Group 3: Air Track Drill; Brush Machine (to include: horizontal construction joint clean-up brush machine, power propelled); Caisson Worker, free air, Chain Saw Operator and Faller; Concrete Stack (to include: Laborers when 40 ft. high); Gunnite (to include: operation of machine and nozzle); High Scaler; Rod Carrier; Laser Beam Operator (to include: Grade Checkers and Elevation control); Monitor Operator track or similar mounting); Mortar Mixer; Nozzleman (to include: Jet Blasting Nozzleman, over 1,200 lbs., Jet Blast Machine, power propelled, Sandblast Nozzle); Pipelayer (to include: working Topman, Caulker, Collarman, Jointer, Mortarman, Rigger, Jacker, Shorer, Valve or Meter Installer); Pipewrapper; Vibrator, 4 inches and over

Group 4: Drills with dual Masts; Powderman; Welder, electric, manual or automatic

Group 5: Tunnel and Shaft, free air
Class A: Bull Gang, Pump Crete Crewman including distribution pipe, Assembling and dismantle and Nipper
Class B: Brakeman, Dumpman
Class C: Miner and Nozzleman for concrete and Laser Beam Operator in Tunnels
Class D: Raise and Shaft Miner and Laser Beam Operator on Raises and Shafts

LABORERS (AREA 2) All Counties West of the 120th Meridian (except those enumerated in Areas 3 and 4) and the Northern portion of Pacific County	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
Group 1	$ 11.23	.95	$ 1.10		.08
Group 2	11.57	.95	1.10		.08
Group 3	11.71	.95	1.10		.08
Group 4	11.81	.95	1.10		.08

Group 1: Asphalt Laborer; Batch Weighman; Brooomers; Brush Cutter; Brush Hog Feeder; Burners; Car and Truck Loader; Cement Handler; Changehouse or Dry Shack; Chocker Setter; Clean up Laborer; Concrete Form Stripper; Concrete and Monolithic Laborer; Crush Feeder; Curing Laborer; Demolition, wrecking and moving; Ditch Digger; Driverman; Dumpman; Elevator Feeders; Epoxy Technician; Faller and Bucker, hand; Fence Laborer; Fine Graders; Flagman; Form Setter; Grout Machine Header Tender; Header Laborer and Guardrail Erector; House Wrecker; Landscaping or Planting; Material Yard Man (including electrical); Nipper-swamper; Pilot Car; Pitman; Pot Tender; Rip Rap Man; Scaleman; Signalman; Skipman; Sloper Sprayman; Stockpiler; Toolroom Man (at job site); Track Laborer; Truck Spotter; Window Cleaner

Group 2: Air, gas or electric Vibrating Screed; Anchor Machine; Ballast Regulator Machine; Chippers; Chocker Splicer; Chuck Tender; Clary Power Spreader and similar types; Concrete Saw; Gabian Basket Builder; Grinders; Groutman, pressure, including post tension beams; Jackhammer; Multiple Tampers; Pavement Breaker; Pipe Pot Tender; Pipe Wrapper; Powderman Helper; Power Jacks; Power Wheelbarrow or Buggy; Railroad Spike Puller; Ribbon Setter, head; Rip Rap Man, head; Rodder; Sloper, over 20 ft.; Stake Hopper; Swinging Scaffold or Boatswain Chair over water or 25 ft. in height; Tamper, multiple and self-propelled; Tamper and similar electric and air operator tools; Topman-tailman; Track Liners; Vibrator; Wagon Driller and Air Trac Helper Well Point Laborer

Group 3: Bit Grinder and Drill Doctor; Cement Dumper, paving; Cement Finisher Helper; Faller and Bucker Chain Saw; Grade Checker and Transit Man; High Scaler; Laser Beam Operator; Manhole Builder; Mortarman and Hodcarriers; Nozzleman (concrete and rock, sandblast, gunnite, shotcrete); Water Blaster; Pipelayer and Caulker; Powderman; Raker, asphalt; Spreader (carries grade with rodder); Timberman, sewer; Tugger Operator; Vibrator, 4" and over; Wagon Driller and Air Trac Operator

Group 4: Caisson Worker; Laser Beam Operator (tunnel); Powderman; Re-timberman

LABORERS (AREA 3)

Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

GROUPS	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6
1	$10.01	$10.41	$10.76	$11.01	$11.26	$11.51
2	10.36	10.76	11.16	11.36	11.61	11.86
3	10.66	11.06	11.41	11.66	11.91	12.16
4	10.91	11.31	11.66	11.91	12.16	12.41

FRINGE BENEFITS:

Health and Welfare	$.95	Vacation	$.65
Pension	1.10	Apprenticeship Tr.	.10

*SEE ZONE DEFINITIONS - Following TRUCK DRIVERS' Classifications

Group 1: General Laborer; Asphalt Plant Laborers; Asphalt Spreaders; Batch Weighman; Broomers; Brush Burners and Cutters; Car and Truck Loaders; Carpenter Tender; Changehouse Man or Dry Shack Man; Choke Setter; Clean-up Laborers; Concrete Laborers; Culvert, hand labor; Curing, concrete; Demolition, wrecking and moving Laborers; Drillers' Helpers; Dumpers, road oiling crew; Dumpman (for Grading crew); Elevator Feeders; Fence Builder (including guard rail, median rail, reference post, guide post, right-of-way marker); Fine Graders; Form Strippers (not swinging stages); Landscaping or Planting Laborers; Leverman or Aggregate Spreader (Flaherty and similar types); Loading Spotters; Material Yard Man (including electrical); Powderman Helper; Pittsburgh Chipper Operator or similar types Railroad Track Laborers; Ribbon Setters (including Steel Forms); Rip Rap Man (hand placed); Road Pump Tender; Sewer Labor; Signalman; Skipmen; Slopers; Sprayman; Stake Chaser; Stockpiler; Timber Faller and Bucker (hand labor); Toolroom Man (at job site); Tunnel Bull Gang (above ground); Weightman - Crusher (aggregate when used)

Group 2: Applicator (including pot tender for same) Applying protective material by hand or nozzle on utility lines or storage tanks on project; Brush Cutters (power saw); Burners; Choker Splicer; Clary, Power Spreader and similar types; Clean-up Nozzleman-Greencutter (concrete, rock, etc.); Concrete Power Buggyman; Crusher Feeder; Demolition and Wrecking charred materials; Grade Checker; Gunite Nozzleman Tender; Gunite and Sand Blasting Pot Tender; Handlers or Mixers of all materials of an irritating nature (including cement and lime); Power tool Operators, includes but not limited to: Dry Pack Machine, Jackhammer, Chipping Guns, Paving Breakers, Vibrators (less than 4" in diameter); Post Hole Digger, air, gas or electric; Vibrating Screed; Tampers; Ribbon Setter, head; Rip Rap Man, head, hand placed; Sand Blasting (wet); Stake Setter; Tunnel-Muckers; Brakemen; Concrete Crew; Bull Gang (underground)

Group 3: Asphalt Rakers; Bit Grinder; Drill Doctor; Drill Operators; Air Tracks; Cat Drills; Wagon Drills; Rubber-mounted Drills and other similar typed; Concrete Saw Operator; Gunite Nozzleman; High Scalers; Strippers and Drillers (covers work in swinging stages, chairs or belts, under extreme conditions unusual to normal drilling, blasting, barring-down or sloping and stripping); Laser Beam (pipe laying); Applicable when employee assigned to move, set up, align Laser Beam; Manhole Builder; Powdermen; Power Saw Operators (bucking and falling); Pumpcrete Nozzleman; Sandblasting (dry); Sewer (pipe Layers; Sewer Timberman; Track Liners; Anchor Machines, Ballast Regulators, Multiple Tampers, Power Jacks; Tugger Operator; Tunnel Chuck Tenders; Nippers and Timbermen; Vibrators (4" and larger); Water Blaster; Welder

Group 4: Laser Beam (tunnel) - Tunnel Miners; Tunnel Powderman

LABORERS (AREA 4) Those portions of Chelan, Douglas, Kittitas, Okanogan and Yakima lying West of the 120th Meridian	Basic Hourly Rates	Fringe Benefits Payments H & W	Pensions	Vacation	Education and/or Appr. Tr.
Group 1	$ 11.23	.95	$ 1.10		.08
Group 2	11.57	.95	1.10		.08
Group 3	11.71	.95	1.10		.08
Group 4	11.81	.95	1.10		.08

Group 1: Asphalt Laborer; Batch Weighman; Broomers; Brush Cutter; Brush Hog Feeder; Burners; Car and Truck Loader; Carpenter Tender; Cement Handler; Changehouse or Dry Shack; Chocker Setter; Clean-up Laborer; Concrete Form Stripper; Concrete and Monolithic Laborer; Crush Feeder; Curing Laborer; Demolition, wrecking and moving; Ditch Digger; Driverman; Dumpman; Elevator Feeders; Epoxy Technician; Faller and Bucker, hand; Fence Laborers; Fine Graders; Flagman; Form Setter; Grout Machine Header Tender; Header Laborer and Guardrail Erector; House Wrecker; Landscaping or Planting; Material Yard Man (including electrical); Nipper-Dumper; Pilot Car; Pitman; Pot Tender; Rip Rap Man; Scaleman; Signalman; Skipman; Sloper Sprayman; Stockpiler; Toolroom Man (at job site); Track Laborer; Truck Spotter; Window Cleaner

Group 2: Air, gas or electric Vibrating Screed; Anchor Machine; Ballast Regulator Machine; Chippers; Chocker Splicer; Chuck Tender; Clary Power Spreader and similar types; Concrete Saw; Cabian Basket Builder; Grinders; Groutman, pressure, including Post Tension Beams; Jackhammer; Multiple Tampers; Pavement Breaker; Pipe Pot Tender; Pipe Wrapper; Powderman Helper; Power Jacks; Power Wheelbarrow or Buggy; Railroad Spike Puller; Ribbon Setter, head; Rip Rap Man, head; Rodder; Sloper, over 20 ft.; Stake Hopper; Swinging Scaffold or Boatswain Chair rover water or 25 ft. in height; Tamper, multiple and self-propelled; Tamper and similar electric and air operated tools; Topman-tailman; Track Liners; Vibrator; Wagon Driller and Air Trac Helper; Well Point Laborer

Group 3: Bit Grinder and Drill Doctor; Cement Dumper, paving; Cement Finisher Helper; Faller and Bucker Chain Saw; Grade Checker and Transit Man; High Scaler; Laser Beam Operator; Manhole Builder; Mortarman and Hod Carrier; Nozzleman (concrete pump, green cutter when using combination of high pressure air and water on concrete and rock, sandblast, gunnite, shotcrete) Water Blaster; Pipelayer and Caulker; Powderman; Raker, asphalt; Spreader (carries grade with rodder); Timberman, sewer; Tugger Operator; Vibrator, 4" and over; Wagon Driller and Air Trac Operator

Group 4: Caisson Worker; Laser Beam Operator (tunnel); Powderman; Re-timber Man

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POWER EQUIPMENT OPERATORS (AREA 1)
All Counties and portions of Counties East of the 120th Meridian

Group No.	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5
1	$ 10.30	$11.00	$ 11.25	$11.70	$ 12.20
2	10.60	11.30	11.55	12.00	12.50
3	11.15	11.85	12.10	12.55	13.05
4	11.30	12.00	12.25	12.70	13.20
5	11.45	12.15	12.46	12.85	13.35
6	11.70	12.40	12.65	13.10	13.60
7	11.95	12.65	12.90	13.35	13.85

FRINGE BENEFITS:

Health and Welfare	$ 1.20
Pension	1.55
Apprenticeship Training	.03

Group 1: Bit Grinders; Bolt Threading Machine; Compressor, under 2,000 cu. ft. per minute gas, diesel or electric power; Crusher Feeder (mechanical); Deckhand; Driller's Helper; Fireman and Heater Tender; Grade Checker; Helper (mechanic or welder, H.D.); Oiler; Oiler and Cable Tender, Mucking Machine; Pumpman; Rollers, all types on subgrade (farm type, Case, John Deer and similar - or Compacting or Vibrator) except when pulled by dozer with operable blade; Steam Cleaner; Welding Machine

Group 2: A-Frame Truck (single-drum); Assistant Refrigeration Plant (under 1,000 tons); Assistant Plant Operator; Fireman or Pugmixer Operator, single unit (concrete); Belt Finishing Machine; Bending Machine (pipeline); Blower Operator (cement); Cement Hog; Compressor (2,000 cu. ft. or over, 2 or more gas, diesel or electric power); Concrete Saw (multiple cut); Distributor Leverman; Elevator Hoisting Materials; Dope Pots (power agitated); Fork Lift or Lumber Stacker; Hydra-lift and similar; Gin Trucks (pipeline); Hoist, single drum; Loader (Bucker, Elevator and Conveyors); Longitudinal Float; Mixer Operator; Post Hole Auger or Punch; Power Broom; Railroad Ballast Regulation Operator (self-propelled); Railroad Power Tamper Operator (self-propelled); Railroad Power Tamper Jack Operator (self-propelled); Spray Curing Machine (concrete); Spreader Jack Operator (self-propelled); Straddle Buggy (Rose and similar on construction job site); Tractor (farm type R/T with attachments except Backhoe); Tugger Operator; Ditch Witch or similar

POWER EQUIPMENT OPERATORS (AREA 1) (Cont'd)
All Counties and portions of Counties East of the 120th Meridian

Group 3: A-Frame Truck (2 or more drums); Assistant Refrigeration Plant and Chiller Operator (over 1,000 tons); Backfillers (Cleveland & similar); Beltcrete Conveyors with power pack or similar; Belt Loader (Kocal or similar); Blade Operator (motor patrol and attachments); Boat Operators; Boom Cats (side); Boring Machine (rock under 8" bit)(Quarry Master, Joy or similar); Bump Cutter (Wayne, Saginaw or similar); Canal Lining Machine (concrete); Chipper (without crane); Cleaning and Doping Machine (pipeline); Concrete Pumps (Squeeze-crete, Flow-crete, Pumpcrete, Whitman and similar); Drills (Churn, Core, Calyx, or Diamond); Elevating Belt-type Loader (Euclid, Barber Green or similar); Elevating Grader-type Loader (Dumor, Adams or similar); Equipment Serviceman, greaser and oiler; Generator Plant Engineers (diesel, electric); Gunite Combination Mixer and Compressor; Hoist (2 or more drums or tower hoist); Loader (Overhead and Front-end under 4 yds., R/T); Locomotive Engineer; Mixermobile; Mucking Machines; Paver or Curb Extruder (concrete and asphalt); Pump (grout or jet); Rollerman (finishing pavement); Rubber-tired Scraper (one motor with one scraper, under 40 yds.); Screed Operator, Soil Stabilizer (P&H or similar); Spreader Machine; Tractor (Crawler, including Dozer, Scraper, Drills, Boom, Rollers, etc.); Traverse Finishing Machine; Trenching Machines (under 7 ft. depth capacity); Turnhead Operator; Vacuum Drill (reverse circulation drill, under 8"); Chain Person

Group 4: H.D. Mechanic; H.D. Welder; Refrigeration Plant Engineer (under 1,000 tons); Rubber-tired Scraper, multi-engine power, with one scraper (Euclid, TS-24 and similar); Rubber-tired Scrapers, one motor with one scraper (40 yds. and over); Surface Heater and Planer Machines; Turnhead (with re-screening)

Group 5: Asphalt Plant Operator; Automatic Subgrader (ditches and trimmers) (Auto-grade, ABC, R.R. Hansen and similar on grade wire); Backhoe (under 3 yds.); Batch and Wet Mix Operator - multiple units (2 and including 4); Blade (under 3 yds.); Concrete Slip Form Paver; Cranes (under 65 tons, sideboom over 24 ft., butt pin to CTR Sheave); Crusher, Grizzle and Screening Plant Operators; Drilling Equipment (8" bit and over)(Robbins' reverse circulation and similar); Loader Operator (front end and overhead 4 yds. to 8 yds.); Pile Driving Engineers; Paver (dual drum); Quad-track or similar equipment; Railroad Track Liner Operator (self-propelled); Rubber-tired Scrapers, Multi-engine, power with one scraper (Euclid, TS-24 and similar); Push Pull or Help Mate in use; Rubber-tired Scrapers, multiple engines with 2 scrapers; Shovels (under 3 yds.); Refrigeration Plant Engineer (1,000 tons and over); Signalmen (Whirleys, Highline Hammerheads or similar); Trenching Machines (7 ft. depth and over); Multiple Dozer units with single blade; Instrument Man

Group 6: Backhoes (3 yds. and over); Batch Plant (over 4 units); Cableway Controller-Dispatcher; Cableway Operator; Clamshell Operator (3 yds. and over); Cranes, all-65 tons and over; Derricks and Stiffleys (65 tone and over); Dragline (3 yds. and over); Elevating Belt (Holland type); Loader 360 degrees revolving Koehring Scooper or similar); Loaders (overhead and front-end over 8 to 12 yds.); Rubber-tired Scrapers (multiple engine with 3 or more scrapers); Shovels (3 yds. and over); Tower Crane; Whirleys and Hammerheads (all)

Group 7: Helicopter Pilot; Loaders (overhead and front-end - over 12 yds.); Party Chief

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	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
POWER EQUIPMENT OPERATORS (Area 2) (All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3)					
Group 1	$ 13.18	.85	$ 1.50		.11
Group 2	13.20	.85	1.50		.11
Group 3	13.31	.85	1.50		.11
Group 4	13.36	.85	1.50		.11
Group 5	13.38	.85	1.50		.11
Group 6	13.43	.85	1.50		.11
Group 7	13.44	.85	1.50		.11
Group 8	13.45	.85	1.50		.11
Group 9	13.48	.85	1.50		.11
Group 10	13.50	.85	1.50		.11
Group 11	13.63	.85	1.50		.11
Group 12	13.68	.85	1.50		.11
Group 13	13.69	.85	1.50		.11
Group 14	13.76	.85	1.50		.11
Group 15	13.78	.85	1.50		.11
Group 16	13.79	.85	1.50		.11
Group 17	13.81	.85	1.50		.11
Group 18	13.84	.85	1.50		.11
Group 19	13.88	.85	1.50		.11
Group 20	13.95	.85	1.50		.11
Group 21	13.96	.85	1.50		.11
Group 22	14.01	.85	1.50		.11
Group 23	14.06	.85	1.50		.11
Group 24	14.28	.85	1.50		.11
Group 25	14.32	.85	1.50		.11
Group 26	14.37	.85	1.50		.11
Group 27	14.48	.85	1.50		.11
Group 28	14.67	.85	1.50		.11
Group 29	14.87	.85	1.50		.11
Group 30	14.98	.85	1.50		.11
Group 31	15.00	.85	1.50		.11
Group 32	15.28	.85	1.50		.11

POWER EQUIPMENT OPERATORS (Area 2)
All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3) and including the Northern portion of Pacific County

Group 1: Mechanics' Helpers (heavy duty)

Group 2: Oilers, grade-oiler combination and/or brakeman

Group 3: Firemen; Firemen (drier and hot plant)

Group 4: Rollers, Tampers and Vibrators (other than plant, road mix or multi-lift materials); Tractor (farmall type, 60 h.p. and under); Compressor (excavating and general purposes)

Group 5: Oiler Driver on Truck Cranes (over 45 tons up to 100)

Group 6: Blower Distributors and Mulch Seeding Operator; Oil Distributors

Group 7: Locomotive (Dinkey-air, diesel, electric, gas, steam)

Group 8: Cement Hogs

Group 9: Equipment Service and Fueling Oiler; Oiler Driver on Truck Cranes (100 tons and over)

Group 10: Pump (water); Tractors (Farmall type, over 60 H.P.)

Group 11: Post Hole Diggers (mechanical)

Group 12: Brooms, power (Wayne, Saginaw and similar types); Bulldozers (under D9 or similar); Loaders (Fork Lifts, Lumber Stacker on construction job site, Drott Travel Lift); Rollers, Tampers and Vibrators (twin engine); Saw (concrete); Scrapers (carry-all type, single)

Group 13: Batch Plant Operator (batch and mixer, 200 yards per hour and under); Cranes ("A" Frame Trucks, single power drum); Conveyors; Crusher (rock) washing and screening plants; Finishing Machine Operator, concrete paving; Hoists, Air Tuggers, Strato Tower Bucket, Elevators and Deck Winches (power); Loaders (Elevating-Athey, Barber Greene and similar types, Overhead and Front-end, under 2½ yards); Mixers (asphalt up to 4 tons per batch, concrete mixer and batch - 200 yards per hour and under); Power Plant Operators; Pumps (Fuller Kenyon, Concrete and Pumpcrete); Rollers, Tampers and Vibrators (on plant, road mix or multi-lift materials); Screed Man; Spreaders (Blaw Knox, Cedarapids, Jaeger, Flarrety or similar types); Trenching Machine (under 16 in.)

POWER EQUIPMENT OPERATORS (AREA 2) (Cont'd)
All Counties and portions of Counties West of the 120th Meridian (Except those enumerated in Area 3) and inlcuding the Northern portion of Pacific County

Group 14: Motor Patrol Graders (including Model 14 and similar); Tournapulls, Caterpillar, Euclid Scrapers and similar type equipment (25 yards and under)

Group 15: Compressor (steel erection or tank erection including sandblasting, painting of the same); Hoists on steel erection, Air Tuggers and Towermobiles; Loaders (fork lifts with tower)

Group 16: Mechanics or Welder (heavy duty)

Group 17: Loaders (Elevating Grade type, Dumor and similar); Mixers (paving); Scraper (carryall type, double)

Group 18: Tractors (farmall type, used as Backhoes, Rubber-tired Ford, Ferguson, Case and similar type 60 h.p. and under); Pumps, truck mounted; Concrete Pump with boom attachment

Group 19: Bull Dozer (D-9 or similar)

Group 20: Trenching Machines (18 inches and over)

Group 21: Dump Cutter (Conout, Christianson or similar types)

Group 22: Batch Plant (batch and mixer, over 200 yards per hour through 400 yards per hour); Conveyors (Beltcrete with power pack and similar types); Loaders (elevating belt type - Euclid and similar types); Mixer (asphalt, 4 tons and over per batch, concrete mixers and batch - over 200 yards per hour through 400 yards per hour, and paving dual)

Group 23: Bulldozer engaged in Tu Tu Operation (while clearing and scaling); Cableways (3 yards and under); Cranes ("A" Frame Trucks, double power drum and Crawler, truck type, floating, Locomotive, Whirley, either 3 yards and under, or 150' of boom including jibs and under, or 45 tons and under; Hydralifts, Hyster Cat Cranes and attachments; Chipper, wood with boom attachment); Derricks, all; Drilling Machine (Core, Cable Rotary and Exploration); Loader (fork lift with power boom and swing attachment; Overhead and Front End, 2½ yards and up to 4 yards); Mixers (mobile type with hoist combination); Motor Patrol Graders over Model 14 and similar; Mucking Machines (Mole, Tunnel Drill, and/or Shield); Paydozer and Linked Pusher (Quad-9 and similar); Piledriver Engineer (L.B.Foster Puller or similar, Paving Breaker); Shovels (Crawler and truck types, all attachments, 3 yards and under); Sub Grader (Curries, CMI and similar types); Tractors (Farmall type, used as Backhoes, Rubber-tired - Ford, Ferguson, Case and similar types - over 60 h.p.); Tournapulls, Caterpillar, Euclid Scrapers and similar type equipment over 25 yards through 40 yards

POWER EQUIPMENT OPERATORS (AREA 2) (Cont'd)
All Counties and portions of Counties West of the 120th Meridian (Except those enumerated in Area 3) and including the Northern portion of Pacific County

Group 24: Loaders (overhead and front end, 4 yards up to 8 yards)

Group 25: Concrete Mixers and Batch over 400 yards per hour through 600 yards per hour

Group 26: Tournapulls, Caterpillar, Euclid, Scrapers and similar type (over 40 yards through 55 yards)

Group 27: Cableways (over 3 yards); Crane (Crawler, truck type, floating, Locomotive, Whirley, either over 3 yards, or over 150' of boom including jibs or over 45 tons up to 100 tons; and, Tower Cranes, Peco, Lorraine, Bucyrus and similar types); Helicopter Winch Operator; Remote Control Operator on Rubber-tired Earth Moving Equipment; Shovels (Crawler and truck type, all attachments, over 3 yards up to 6 yards); Slip Form Paver (Zimmerman, CMI and similar types)

Group 28: Tournapulls, Caterpillar, Euclid, Scrapers and similar type equipment (over 55 yards through 70 yards)

Group 29: Loaders (overhead and front end 8 yards and over)

Group 30: Tournapulls, Caterpillar, Euclid, Scrapers and similar type equipment (over 70 yards through 85 yards)

Group 31: Tournapulls, Caterpillar, Euclid, Scrapers and similar type equipment (over 85 yards through 100 yards)

Group 32: Tournapulls, Caterpillar, Euclid, Scrapers and similar type equipment (over 85 yards through 100 yards)

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POWER EQUIPMENT OPERATORS (Area 3)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum, and the Southern portion of Pacific, Counties

Group No.	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6
1	$11.43	$11.83	$12.18	$12.43	$ 12.68	$12.93
2	11.57	11.97	12.32	12.57	12.82	13.07
3	11.67	12.07	12.42	12.67	12.92	13.17
4	11.83	12.23	12.58	12.83	13.08	13.33
5	11.85	12.25	12.60	12.85	13.10	13.35
6	11.93	12.33	12.68	12.93	13.18	13.43
7	11.99	12.39	12.74	12.99	13.24	13.49
8	12.09	12.49	12.84	13.09	13.34	13.59
9	12.15	12.55	12.90	13.15	13.40	13.65
10	12.21	12.61	12.96	13.21	13.46	13.71
11	12.23	12.63	12.98	13.23	13.48	13.73
12	12.29	12.69	13.04	13.29	13.54	13.79
13	12.37	12.77	13.12	13.37	13.62	13.87
14	12.53	12.93	13.28	13.53	13.78	14.03
15	12.69	13.09	13.44	13.69	13.94	14.19
16	12.87	13.27	13.62	13.87	14.12	14.37
17	13.01	13.41	13.76	14.01	14.26	14.51
18	13.19	13.59	13.94	14.19	14.44	14.69
19	13.33	13.73	14.08	14.33	14.58	14.83

FRINGE BENEFITS:

Health and Welfare	$1.00	Vacation	$.50
Pension	1.47	Apprenticeship Training	.05

*SEE ZONE DESCRIPTION - following TRUCK DRIVERS' Classifications

POWER EQUIPMENT OPERATORS (Area 3)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

Group 1: Oiler, including Plant, Crane, Crusher, Guardrail equipment, and Trenching Machine; Assistant Conveyor Operator; Crusher Feederman; Deckhand; Self-propelled Scaffolding Operator; Guardrail Punch Oiler; Pump Operator, under 4"; Brakeman; Switchman; Parts Man (tool room)

Group 2: Blade Operator, pulled type; Truck Crane Oiler-driver, 25 ton capacity or over; Crane Fireman, (all equipment except floating); A-frame Truck Operator, single drum; Tugger or Coffin type Hoist Operator; Driller Helper; Auger; Oiler; Boatman; Fork Lift or Lumber Stacker Operator (on job site); Oiler, combination Guardrail Machines; Temporary Heating Plant Operator; Grade Oiler, required to check grade; Grade Checker; Tar Pot Fireman; Tar Pot Fireman (power agitated); H.D. Repairman Helper; Welder's Helper; Helicopter Radioman (ground); Roller Operator, grading of base rock (not asphalt)

Group 3: Asphalt Plant Fireman; Pugmill Operator (any type); Truck mounted Asphalt Spreader, with Screed; Compressor Operator (any power), under 2,250 cu. ft. total capacity; Conveyor Operator; Mixer Box Operator (C.T.B., Dry Batch, etc.); Cement Hog; Concrete Saw; Concrete Curing Machine (riding type); Wire Mat or Brooming Machine; Boom Carrier Operator (on job site); Bucket Elevator Loader, Barber Greene and similar types; Hydraulic Pipe Press; Pump Operator (any power), 4" and over; Hydrostatic Pump; Motorman; Ballast Jack Tamper; Bell Boy phones, etc.; Tamping Machine, mechanical self-propelled; Hydrographic Seeder Machine, straw, pulp or seed; Broom Operator, self-propelled (on job site); Air Filtration Equipment; Welding Machine Operator

Group 4: Screed Operator; Compactor, including Vibratory; Compressor (any power) over 2,250 cu. ft. total capacity; Combination Mixer and Compressor, Gunnite work; Concrete Mixer Operator, single drum, under five bag capacity; Helicopter Hoist Operator; Floating Equipment Fireman; Lull Hi-lift Operator or similar type; Fork Lift, over 5 ton; Service Oiler (greaser); Hydra Hammer or similar types; Pavement Breaker; Pump Operator, more than 5 (any size); Locomotive, under 40 tons; Roller Operator, Oiling, C.T.B.

Group 5: Extrusion Machine; Wagner Factor or similar type (without blade); Concrete Batch Plant Quality Control Operator; Power Jumbo, Setting Slip Forms, etc. in tunnels; Slip Form Pumps, Power driven Hydraulic Lifting Device for concrete forms; Hoist, single drum; Elevator Operator; Pulvamixer or similar types; Chip Spreading Machine Operator; Lime Spreading (on job site); Sweeper (Wayne type) Self-propelled (on job site); Tractor, rubber-tired 50 H.P. Flywheel and under; Trenching Machine, Maximum digging capacity 3 ft. depth

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POWER EQUIPMENT OPERATORS (AREA 3) (Cont'd)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

Group 6: Asphalt Burner and Reconditioner; Pavement Grinder and/or Grooving Machine (riding type); Cast-in-place Pipe Laying Machine; Maginnis Internal Full Slab Vibrator; Concrete Finishing Machine, Clary, Johnson, Bidwell, Burgess Bridge Deck or similar type; Curb Machine, Mechanical Bern, Curb and/or Curb and Gutter; Concrete Joint Machine; Concrete Planer; Concrete Paving Machine; Concrete Spreader; Loaders, rubber-tired type, 2½ cu. yds. and under; Rock Spreaders, self-propelled

Group 7: Roller (any asphalt mix); Beltcrete; Pumpcrete Operator (any type); Fuller-Kenyon and similar; Concrete Pump; Grouting Machine; Concrete Mixer, single drum, five bag capacity and over; Tower Mobile Operator; A-Frame Truck double drum; Boom Truck; Churn Drill and Earth Boring Machine; Hydraulic Backhoe, wheel type 3/8 cu. yds. and under with or without front end attachments 2½ cu. yds. and under (Ford, John Deere, Case type); Elevating Grader, Tractor towed requiring operator or grader; Pot Hammer; Ballast Regulator; Ballast Tamper, Multiple-purpose; Track Liner; Tie Spacer; Shuttle Car; Locomotive, 40 tons and over

Group 8: Diesel-Electric Engineer, Plant, Crusher, Generator, Floating; Batch Plant and/or wet mix, one and two drum; Generator Operator; Belt Loader, Kolman and Ko Cal types; Asphalt Paver Operator

Group 9: Bulldozer; Drill Cat Operator; Side-boom Cat; Compactor, with blade; Concrete Cooling Machine; Chicago Boom and similar types; Lift Slab Machine; Boom type lifting device, 5 ton capacity or less; Cherry Picker or similar type Crane-hoist, 5 ton capacity or less; Grizzley Crusher; Crusher Plant; Drill Doctor; Boring Machine, Guardrail Punch and Auger (all types); Surface Heater and Planer; Hydraulic Backhoe, track type 3/8 cu. yd.; Loader, front end and overhead, 2¼ cu. yds. and under 4 cu. yds.; Hammer operator; Pipe Cleaning, Doping, Bending and Wrapping Machines; Bolt-threading Machine; Drill Doctor (bit grinder); H.D. Mechanic and Welder; Machine Tool Operator; Stationary Drag Scraper; Tractor, rubber-tired over 50 H.P. flywheel; Tractor with boom attachment; Trench Machine, maximum digging capacity over 3 ft. depth; Asphalt Plant Operator

Group 10: Bulldozer, twin engine (TC 12 and similar); Cable Plow (any type); Compactor, multi-engine; Jack Operator, Elevating Barges; Barge Operator, self-unloading; Combination: H.D. Mechanic-Welder, with dispatched and/or when required to do both; Rubber-tired Dozers and Pushers (Michigan, Cat, Rough type); Driller-Percussion, Diamond, Core, Cable, Rotary and similar type

Group 11: Mixer Mobile; Concrete Breaker; Crane Operator, 25 tons and under; Combination Guardrail Machines, i.e., Punch, Auger, etc.; Shovel; Dragline; Clamshell, Hoe, etc., under 1 cu. yd.; Grade-alls, under 1 cu. yd.; Mucking Machine (tunnel)

POWER EQUIPMENT OPERATORS (Area 3) (Cont'd)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the portion of Pacific, Counties

Group 12: Blade Operator; Batch Plant and/or Wet Mix, 3 units or more; Reinforced Tank Banding Machine (K-17 or similar); Hoist, two or more drums; Elevating Loader, Athey and similar; Piledriver (not crane type); Rubber-tired Scraper, single and twin engine; Single Scraper, with Push-pull attachments; Self-Loader; Paddle Wheel, Auger type; Blade mounted Spreaders, Ulrich and similar types; Shield Operator

Group 13: Blade Operator, finish; Blade, externally controlled by electronic, mechanical hydraulic means; Blade, multi-engine; Concrete Paving Road Mixer; Derrick, under 100 tons; Hoist, Stiff Leg, Guy Derrick or similar, 50 tons and over; Cableway Operator, 25 tons and over; Crane, over 25 tons and including 50 tons; Piledriver Operator; Floating Clamshell, etc., under 3 cu. yds.; Floating Crane (derrick barge), less than 30 ton; Elevating Grader, operated by tractor operator, Sierra, Euclid, or similar; Backfilling Machine; Shovel, etc. 1 cu. yd. and less than 3 cu. yds.; Grade-all, 1 cu. yd. and over; Bridge Crane Operator, Locomotive Crane, Gantry and Overhead

Group 14: Tower Crane Operator; Rubber-tired Scraper, with Tandem Scrapers, self-loading, Paddle Wheel, Auger type, Finish and/or 2 or more units

Group 15: Rock Bound Operator; Loader, 4 cu. yds., but less than 6 cu. yds.

Group 16: Autograder or "Trimmer"; Tandem Bulldozer, Quad-nine and similar; Automatic Concrete Slip Form Paver; Concrete Canal Line; Cableway, 25 ton and over; Crane, over 40 ton and including 100 ton; Whirley, 80 ton and under; Floating Clamshell, etc., 3 cu. yds. and over; Floating Crane (derrick barge) 30 ton but less than 80 ton; Loader, 6 cu. yds., but less than 12 cu. yds.; Rubber-tired Scraper, with Tandem Scrapers, multi-engine; Shovel, etc., 3 cu. yds., but less than 5 cu. yds.; Wheel Excavator, under 750 cu. yds. per hour

Group 17: Crane over 100 ton and including 200 ton; Whirley over 80 ton and including 150 ton; Floating Crane (derrick barge) 80 ton less than 150 ton; Loader, 12 cu. yds. and over; Shovel, etc., 5 cu. yds. and over; Canal Trimmer

Group 18: Crane, over 200 ton; Whirley, 150 ton and over; Floating Crane 150 ton but less than 250 ton; Wheel Excavator, over 750 cu. yds. per hour; Band Wagons, in conjunction with Wheel Excavator

Group 19: Helicopter, when used in erecting work; Floating Crane 250 ton and over; Remote controlled Earth Moving Equipment; Underwater equipment, remote or otherwise

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	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
POWER EQUIPMENT OPERATORS (DREDGING) (Area 1) (All Counties and portions of Counties East of the 120th Meridian)					
Group 1	$ 12.02	.85	$ 1.00		.11
Group 2	12.12	.85	1.00		.11
Group 3	12.46	.85	1.00		.11
Group 4	12.51	.85	1.00		.11
Group 5	12.56	.85	1.00		.11
Group 6	12.88	.85	1.00		.11
Group 7:					
(a)	13.27	.85	1.00		.11
(b)	13.82	.85	1.00		.11
DREDGING (Area 2) (All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3) and including the Northern portion of Pacific County)					
Group 1	12.02	.85	1.00		.11
Group 2	12.12	.85	1.00		.11
Group 3	12.46	.85	1.00		.11
Group 4	12.51	.85	1.00		.11
Group 5	12.56	.85	1.00		.11
Group 6	12.88	.85	1.00		.11
Group 7:					
(a)	13.27	.85	1.00		.11
(b)	13.82	.85	1.00		.11
DREDGING (Area 3) (Clark, Cowlitz, Klickitat, Pacific (Southern portion), Skamania and Wahkiakum Counties)					
Group 1	11.14	1.00	1.00	.50	.05
Group 1A	11.80	1.00	1.00	.50	.05
Group 2	10.78	1.00	1.00	.50	.05
Group 3	10.54	1.00	1.00	.50	.05
Group 4	10.28	1.00	1.00	.50	.05

POWER EQUIPMENT OPERATORS

(DREDGING)

Group 1: Assistant Mate (deckhand)

Group 2: Fireman; Oiler

Group 3: Assistant Engineer (Electric, Diesel, Steam or Booster pump); Mates and Boatmen

Group 4: Engineer Welder; Craneman

Group 5: Assistant Engineer (Electric Generator Operator for primary pump, power barge or dredge)

Group 6: Leverman, Hydraulid

Group 7: Leverman, Dipper:
(a) 5 yards and under
(b) Over 5 yards

POWER EQUIPMENT OPERATORS (Area 3)

(DREDGING)

Group 1: Leverman, Hydraulic

Group 1A: Leverman, Dipper

Group 2: Assistant Engineer (including Watch Engineer, Welder, Mechanic, and Machinist) and Mate

Group 3: Tenderman (Boatman, Attending Dredge Plant); Fireman

TRUCK DRIVERS (AREA 1)
All Counties and portions of Counties East of the 120th Meridian

GROUPS	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5
1	$11.39	$12.09	$12.34	$12.79	$13.29
2	11.43	12.13	12.38	12.83	13.33
3	11.49	12.19	12.44	12.89	13 39
4	11.58	12.28	12.53	12.98	13.48
5	11.79	12.49	12.74	13.19	13.69
6	11.83	12.53	12.78	13.23	13.73
7	11.89	12.59	12.84	13.29	13.79
8	11.93	12.63	12.88	13.33	13.83
9	12.04	12.74	12.99	13.44	13.94
10	12.08	12.78	13.03	13.48	13.98
11	12.39	13.09	13.34	13.79	14.29
12	12.53	13.23	13.48	13.93	14.43
13	12.69	13.39	13.64	14.09	14.59
14	12.83	13.53	13.78	14.23	14.73

FRINGE BENEFITS:
Health and Welfare $1.12 Pensions $1.19

*SEE ZONE DEFITIONS - following TRUCK DRIVERS' Classifications

Group 1: Flat Bed Truck, single rear axle; Escort Driver; Fork Lift, 3,000 pounds and under; Fuel Truck Driver (steam Cleaner and Washer); Helper and Swamper; Leverperson loading Trucks at Bunkers; Pick-up hauling material; Seeder and Mulcher; Stationary Fuel Operator; Team Driver; Tractor (small rubber tired pulling trailer or similar equipment); Water Tank Truck 1,000 gallons.

Group 2: Bus Driver or Employeehaul Driver; Flat Bed Truck, dual rear axle; Power Boat hauling employees or material; Tireperson No. 1; Warehouseperson

Group 3: Buggy Mobile and similar; Bulk Cement Tanker; Oil Tank Driver; Power operated Sweeper; Semi-trailer, Low Bed, Truck and Trailer; Straddle Carrier (Ross Hyster and similar); Transit Mixers and Trucks hauling concrete (3 yards and under); Trucks, side, end, and bottom dump (under 6 yards); Water Tank Truck (1,001 - 4,000 gallons)

Group 4: Auto Crane - 2,000 pounds capacity; Bulk Cement Spreader; Dumptor (56 yards and under); Flaherty Spreader, Box Driv , Flat Bed Truck (using power take off); Fork Lift (over 3,000 pounds); Oil Distributor Driver (Road, Bootperson, Leverperson Helper); Rubber-tired tunnel jumbo; Scissor Truck; Slurry Truck Driver; Transit Mixers and Trucks hauling concrete (over 3 yards to 6 yards); Water Tank Truck (4,001 - 6,000 gallons); Wrecker and Tow Trucks

TRUCK DRIVERS (AREA 1) (Cont'd)
All Counties and portions of Counties East of the 120th Meridian

Group 5: Low Boy (under 50 tons); Service Greaser; Tireperson No. 2; Truck, side, end, and bottom dump (over 6 yards to 12 yards)

Group 6: A-Frame (Swedish Crane, Iowa 3,000, Hydrolift); Water Tank Truck (6,001 - 8,000 gallons)

Group 7: Dumptor (over 6 yards); Transit Mixers and Trucks hauling concrete (6 yards to 10 yards); Trucks, side, end, and bottom dump (over 12 yards including 20 yards)

Group 8: Low Boy (over 50 tons); Water Tank Truck (8,001 - 10,000 gallons); Tractor with Steer Trailer

Group 9: Transit Mixers and Trucks hauling concrete (10 yards to 15 yards); Trucks, side, end and bottom dump (over 20 yards including 30 yards); Water Tank Truck (10,001 - 12,000 gallons)

Group 10: Mechanic, Field

Group 11: Tournarecker, D.W.'s and similar, with 2 or 4 wheel power tractor with trailer, gallonage or yardage scale, which is greater; Transit Mixers and Trucks hauling concrete (15 yards to 20 yards); Trucks, side, end and bottom dump (over 30 yards to 40 yards); Water Tank Truck (12,001 - 14,000 gallons)

Group 12: Transit Mixers and Trucks hauling concrete (over 20 yards); Trucks, side, end and bottom dump (over 40 yards to 50 yards)

Group 13: Truck, side, end and bottom dumps (over 50 yards to 100 yards)

Group 14: Helicopter Pilot hauling employees or material; Trucks, side, end and bottom dump (over 100 yards)

TRUCK DRIVERS (Area 2) (All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3) and including the Northern portion of Pacific County and all of Kittitas and Yakima Counties)	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
Group 1	$13.71	.94	@ 1.12		.09
Group 2	13.76	.94	1.12		.09
Group 3	13.81	.94	1.12		.09
Group 4	13.92	.94	1.12		.09
Group 5	13.98	.94	1.12		.09
Group 6	14.02	.94	1.12		.09
Group 7	14.03	.94	1.12		.09
Group 8	14.09	.94	1.12		.09
Group 9	14.14	.94	1.12		.09
Group 10	14.16	.94	1.12		.09
Group 11	14.19	.94	1.12		.09
Group 12	14.29	.94	1.12		.09
Group 13	14.31	.94	1.12		.09
Group 14	14.35	.94	1.12		.09
Group 15	14.47	.94	1.12		.09
Group 16	14.51	.94	1.12		.09
Group 17	14.63	.94	1.12		.09
Group 18	14.68	.94	1.12		.09
Group 19	14.84	.94	1.12		.09
Group 20	15.08	.94	1.12		.09
Group 21	15.16	.94	1.12		.09

TRUCK DRIVERS (Area 2)

All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3) and including the Northern portion of Pacific County and including all of Kittitas and Yakima Counties

Group 1: Leverman and Loaders at Bunkers and Batch Plants; Pickup Truck, Escort or Pilot Car; Swampers; Warehouseman and Checkers

Group 2: Team Drivers

Group 3: Bull Lifts and similar equipment used in loading and unloading trucks, transporting materials on job site, warehousing; Dumpsters, and similar equipment (including Tournarockers, Tournawagon, Turnatrailer, Cat DW series, Terra Cobra, LeTourneau, Westinghouse, Athey Wagon, Euclid, two and four-wheeled power tractor with trailer and similar top-loaded equipment transporting material: Dump Trucks - side, end and bottom dump, including Semi-trucks and Trains of combinations thereof) - up to and including 5 yards; Flatbed, single rear axle; Fuel Truck; Grease Truck; Greaser, Battery Service Man and/or Tire Service Man; Scissor Truck; Spreader, Flaherty; Tractor (small, rubber-tired); Vacuum Truck; Water Wagon and Tank Truck (up to 1,600 gallons); Winch Truck, single rear axle; Wrecker, tow Truck and similar equipment

Group 4: Flatbed, dual rear axle

Group 5: Buggymobile; Hyster Operators; Straddle Carrier (Rose, Hyster, and similar equipment); Water Wagon and Tank Truck, 1,600 gallons to 3,000 gallons)

Group 6: Transit-mix, 8 to and including 41 yards

Group 7: Dumpsters and similar equipment (as listed in Group 3) - over 5 yards to and including 12 yards; Explosive Truck (field mix) and similar equipment; Lowbed and Heavy Duty Trailer, under 30 tons gross; Road Oil Distributor Driver; Slurry Truck; Sno-go and similar equipment; Winch Truck, dual rear axle

Group 8: Dumpster and similar equipment (as listed in Group 3) - over 12 yards to and including 16 yards

Group 9: Bulk Cement Tanker; Dumpsters and similar equipment (as listed in Group 3) - over 16 yards to and including 20 yards; Water Wagon and Tank Truck, over 3,000 gallons

TRUCK DRIVERS (AREA 2) (Cont'd)
All Counties and portions of Counties West of the 120th Meridian (except those enumerated in Area 3) and including the Northern portion of Pacific County and including all of Kittitas and Yakima Counties

Group 10: Bull Lifts or similar equipment used in loading or unloading trucks transporting materials on job site, other than warehousing

Group 11: Transit-mix, over 4½ yards to and including 6 yards

Group 12: "A" Frame or Hydralift Trucks or similar equipment

Group 13: Dumpsters and similar equipment (as listed in Group 3) - over 20 yards to and including 30 yards; Lowbed and Heavy Duty Trailer, over 50 tons gross to and including 100 tons gross

Group 14: Transit-Mix, over 6 yards, to and including 8 yards

Group 15: Dumpsters and similar equipment (as listed in Group 3) - over 30 yards to and including 40 yards; Lowbed and Heavy Duty Trailer, over 100 tons gross

Group 16: Transit-mix, over 8 yards to and including 10 yards

Group 17: Dumpsters and similar equipment (as listed in Group 3) - over 40 yards to and including 55 yards

Group 18: Transit-mix, over 10 yards to and including 12 yards

Group 19: Transit-mix, over 12 yards to and including 16 yards

Group 20: Transit-mix, over 16 yards to and including 20 yards

Group 21: Transit-mix, over 20 yards

TRUCK DRIVERS (Area 3)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

GROUPS	ZONE 1	ZONE 2	ZONE 3	ZONE 4	ZONE 5	ZONE 6
1	$10.92	$11.32	$11.67	$11.92	$12.17	$12.42
2	10.97	11.37	11.72	11.97	12.22	12.47
3	11.02	11.42	11.77	12.02	12.27	12.52
4	11.07	11.47	11.82	12.07	12.32	12.57
5	11.12	11.52	11.87	12.12	12.37	12.62
6	11.22	11.62	11.97	12.22	12.47	12.72
7	11.32	11.72	12.07	12.32	12.57	12.82
8	11.42	11.82	12.17	12.42	12.67	12.92
9	11.52	11.92	12.27	12.52	12.77	13.02
10	11.69	12.09	12.44	12.69	12.94	13.19
11	11.79	12.19	12.54	12.79	13.04	13.29
12	11.89	12.29	12.64	12.89	13.14	13.39
13	11.99	12.39	12.74	12.99	13.24	13.49
14	12.09	12.49	12.84	13.09	13.34	13.59

FRINGE BENEFITS:

Health and Welfare	$.78	Vacation	$1.20
Pension	.77	Apprenticeship Tr.	.05

*SEE ZONE DESCRIPTION - Following TRUCK DRIVERS' Classifications

TRUCK DRIVERS (AREA 3)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

Group 1: Battery Rebuilders; Bus or Manhaul Driver; Concrete Buggies (power operated); Dump trucks, side, end and bottom dumps, including Semi-trucks and Trains or combinations thereof: 6 cu. yds. and under, Lift Jitneys, Fork Lifts (all sizes in loading, unloading and transporting material on job site); Loader and/or Leverman on concrete dry batch plant (manually operated); Pilot Car; Solo Flat Bed and misc. Body Trucks, 8-10 tons; Truck Helper; Truck Mechanic Helper; Warehouseman (warehouse parts, tool men and parts chaser, checkers and receivers); Water Wagons (rated capacity) - up to 1,600 gallons

Group 2: "A" Frame or Hydra-lift Truck with load bearing surface; Lubrication Man, Fuel Truck Driver, Fireman, Wash Rack, Steam Cleaner or combination; Team Drivers

Group 3: Dump Trucks, side, end and bottom dumps, including Semi-trucks and Trains or combination thereof: over 6 cu. yds. and including 10 cu. yds.; Slurry Truck Driver or Leverman; Transit Mix, and wet or dry mix trucks: 9 cu. yds. and under; Fireman (full-time basis); Water Wagons (rated capacity) - 1,600 to 3,000 gallons

Group 4: Flaherty Spreader Driver or Leverman; Lowbed Equipment, Flat Bed Semi-trailer, Tuck and Trailers of doubles transporting equipment or wet or dry materials; Lumber Carrier Driver - Straddle Carrier (used in loading, unloading and transporting of materials on job site); Oil Distributor Driver or Leverman; Water Wagons (rated capacity) - 3,000 to 5,000 gallons

Group 5: Dumpsters of similar equipment, all sizes; Transit Mix and wet or dry trucks, over 5 cu. yds. and including 7 cu. yds.

Group 6: Dump Trucks, side, end and bottom dumps, including Semi Trucks and Trains or combinations thereof: over 10 cu. yds. and including 20 cu. yds.; Transit Mix and wet or dry mix truck, over 7 cu. yds. and including 9 cu. yds.; Truck Mechanic-Welder - Body Repairman; Water Wagon (rated capacity 5,000 to 7,000 gallons)

Group 7: Dump Trucks, side, end and bottom dumps, including Semi Trucks and Trains or combinations thereof: over 20 cu. yds. and including 30 cu. yds.; Transit Mix and wet or dry mix trucks, over 9 cu. yds. and including 11 cu. yds.; Water Wagons (rated capacity), over 7,000 gallons to 10,000 gallons

TRUCK DRIVERS (AREA 3) (Cont'd)
Clark, Cowlitz, Klickitat, Skamania, Wahkiakum and the Southern portion of Pacific, Counties

Group 8: Dump Trucks, side, end and bottom dumps, including Semi trucks and Trains or combinations thereof: over 30 cu. yds. and including 40 cu. yds.; Transit Mix and wet or dry mix trucks, over 11 cu. yds. and including 15 cu. yds.; Water Wagons (rated capacity), over 10,000 gals. to 15,000 gallons

Group 9: Dump Trucks, side, end and bottom dumps, including Semi trucks and Trains or combination thereof: over 40 cu. yds. and including 50 cu. yds.; Transit Mix and wet or dry mix trucks, over 13 cu. yds. and including 15 cu. yds.

Group 10: Dump trucks, side, end and bottom dumps, including Semi Trucks and Trains or combinations thereof: over 50 cu. yds. and including 60 cu. yds.

Group 11: Dump trucks, side, end and bottom dumps, including Semi Trucks and Trains or combinations thereof: over 60 cu. yds. and including 70 cu. yds.

Group 12: Dump trucks, side, end and bottom dumps, including Semi trucks and Trains or combinations thereof: over 70 cu. yds. and including 80 cu. yds.

Group 13: Dump trucks, side, end and bottom dumps, including Semi Trucks and Trains or combination thereof: over 80 cu. yds. and including 90 cu. yds.

Group 14: Dump Trucks, side, end and bottom dumps, including Semi Trucks and Trains or combinations thereof: over 90 cu. yds. and including 100 cu. yds.

Drivers and Helpers (handling sacked cement - add $.15 per hour)

Winch Truck - takes classification of Truck on which Winch is mounted.

42908 Federal Register / Vol. 44, No. 141 / Friday, July 20, 1979 / Notices

BOARD OF PUBLIC WORKS 1979 LTRS #2

ZONE WAGE SCALE (AREA 1)

CEMENT MASONS

Travel Zone Centers:
Moses Lake Wenatchee Pasco Yakima Spokane
*Coeur d'Alene *Walla Walla Lewiston

LABORERS (Heavy and Highway)
POWER EQUIPMENT OPERATORS
TRUCK DRIVERS

Travel Zone Centers:
Moses Lake Pasco Spokane Lewiston
*Coeur d'Alene *Walla Walla
*15 mile free Zone

Zone A - Within a 15 mile radius from the center of the above named Cities
Zone B - 15-30 miles raidus from the center of the above named Cities
Zone C - 30-45 miles radius from the center of the above named Cities
Zone D - 45-90 miles radius from the center of the above named Cities
Zone E - Over 90 miles radius from the center of the above named Cities

ZONE WAGE SCALE (AREA 2) ONLY

LABORERS
Goldendale, Longview and Vancouver

POWER EQUIPMENT OPERATORS
Astoria, Goldendale, Hood River, Longview
The Dalles and Vancouver

TRUCK DRIVERS
Astoria, Goldendale, Longview, the Dalles and Vancouver

Zone A - All jobs or projects located within 15 miles of the respective City Hall

Zone B - More than 15 miles but less than 25 miles from the respective City Hall

Zone C - More than 25 miles but less than 35 miles from the respective City Hall

Zone D - More than 35 miles but less than 45 miles from the respective City Hall

Zone E - More than 45 miles but less than 75 miles from the respective City Hall

Zone F - More than 75 miles from the respective City Hall

[FR Doc. 79-27178 Filed 7-19-79; 8:45 am]
BILLING CODE 4510-27-C

Brd

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Appointments

November 28, 1979

Mayor Charles Royer
City of Seattle

Attention: Ned Dunn

Dear Mayor Royer:

As the end of 1979 draws near we would like to remind you that there are two appointments which should be made for 1980 concerning the Board of Public Works; Chairman of the Board for 1980 and also the Superintendent of Parks & Recreation. The present Superintendent's term expires December 31, 1979.

It is the recommendation of the Board of Public Works that Walter Hundley be reappointed as Park Superintendent and that he also be appointed as Chairman of the Board of Public Works for 1980. His appointment as Chairman would be consistent with the past practice of rotating appointments of members so each has an opportunity to serve as Chairman.

Respectfully submitted,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

ROUTING	DATE	INITIAL
ACTION		
FILE		✓
INFORMATION		
PAW		
c/c M-Staff		

SEATTLE ENG. DEPT.
79 NOV 29 A 7:36

BPW -

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
PAW		
AEM/DJH		
	LFC	
	KTJ/S. Deguchi	

Re: 1980 Working Day Calendar

SC

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP ✓ 11/27/79
(date)

All Board of Public Works Members
(referred to)

Betty L. McFarlane, Executive Secretary
(referred by)

____ Please prepare reply for the Executive Secretary's signature on office stationery.

____ Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____ Forwarded for your investigation, report, and recommendation.

X Forwarded for your information and files.

____ Other: _____

BLM:wb
cc: John Hansen, City Light
Ed Engel, Evelyn Larson, Parks
J. Skomessa, D. Howell, T. Baker, S. Deguchi, Eng.
R. L. Snyder, Bill Woodward, Buildings
Allen Wyemura, Rich Richmeyer, Seattle Center
Bill Rashkov, Water

*Action requested no later than _____
(date)

SEATTLE ENG. DEPT.
79 NOV 28 A 7:52

1980 WORKING DAY CALENDAR

JANUARY - 22

S	M	T	W	T	F	S
		X	1	2	3	5
6	4	5	6	7	8	12
13	9	10	11	12	13	19
20	14	15	16	17	18	26
27	19	20	21	22		

FEBRUARY - 19

S	M	T	W	T	F	S
					23	2
3	24	25	26	27	28	9
10	29	32	30	31	32	16
17	36	33	34	35	36	23
24	37	38	39	40	41	

MARCH - 22

S	M	T	W	T	F	S
						1
2	42	43	44	45	46	8
9	47	48	49	50	51	15
16	52	53	54	55	56	22
23	57	58	59	60	61	29
30	62					

APRIL - 22

S	M	T	W	T	F	S
		63	64	65	66	5
6	67	68	69	70	71	12
13	72	73	74	75	76	19
20	77	78	79	80	81	26
27	82	83	84			

MAY - 21

S	M	T	W	T	F	S
				85	86	3
4	87	88	89	90	91	10
11	92	93	94	95	96	17
18	97	98	99	100	101	24
25	26	102	103	104	105	31

JUNE - 21

S	M	T	W	T	F	S
1	106	107	108	109	110	7
8	111	112	113	114	115	14
15	116	117	118	119	120	21
22	121	122	123	124	125	28
29	126					

JULY - 22

S	M	T	W	T	F	S
		127	128	129	X	5
6	130	131	132	133	134	12
13	135	136	137	138	139	19
20	140	141	142	143	144	26
27	145	146	147	148		

AUGUST - 21

S	M	T	W	T	F	S
					149	2
3	150	151	152	153	154	9
10	155	156	157	158	159	16
17	160	161	162	163	164	23
24	165	166	167	168	169	30
31						

SEPTEMBER - 21

S	M	T	W	T	F	S
	X	170	171	172	173	6
7	174	175	176	177	178	13
14	179	180	181	182	183	20
21	184	185	186	187	188	27
28	189	190				

OCTOBER - 23

S	M	T	W	T	F	S
			191	192	193	4
5	194	195	196	197	198	11
12	199	200	201	202	203	18
19	204	205	206	207	208	25
26	209	210	211	212	213	

NOVEMBER - 17

S	M	T	W	T	F	S
						1
2	214	215	216	217	218	8
9	219	11	220	221	222	15
16	223	224	225	226	227	22
23	228	229	230	27	28	29
30						

DECEMBER - 22

S	M	T	W	T	F	S
	231	232	233	234	235	6
7	236	237	238	239	240	13
14	241	242	243	244	245	20
21	246	247	248	25	249	27
28	250	251	252			

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
PAW		

November 21, 1979

79 NOV 29 A 7:31
SEATTLE ENG. DEPT.

Re: City of Seattle
Board of Public Works

Mr. Joseph Hoffman
5754 North 93rd Street
Milwaukee, Wisconsin 53225

Dear Mr. Hoffman:

You recently asked me to answer questions regarding the City of Seattle's Board of Public Works and the structure of its Department. The Mayor and several Board members also received communications from you and they have requested that I respond to your further questions on the Board of Public Works.

I will reply to your questions as outlined in your letter:

1. Are the members of the Board of Public Works frequently reappointed?

   Yes. They are appointed by the Mayor to 4 year overlapping terms and confirmed by the City Council.

2. Is there a limit to reappointment of members.

   No.

3. Is there a change of personnel in the Chairman of the Board position each year, or does frequent reappointment of the incumbent Chairman make this position semi-permanent?

   The Mayor appoints a Chairman from among the Board members annually. The Mayor usually rotates the appointment so that each member serves as Chairman at one time or another. The position is not semi-permanent for this reason.

4. What authority does the Chairman exercise over the Board beside taking control of the weekly meetings?

   The Chairman presides at meetings, on roll call his name is called last and he votes on all questions before the Board. (Attached are Rules of the BPW.) Chairman does not exercise authority over the Board. The members by majority vote determine course of action.

   The Chairman and Executive Secretary sign all plans and specifications, contracts and payments to contractors. The Executive Secretary of the Board is Administrative Head of the Board of Public Works Department.

5. What advantages or disadvantages do you see in your organization of Public Works versus an organization with a public works director or with a City Manager form?

   The Board acts as an appeal body from a department's decisions and settles claims, differences of interpretation, etc. The "contractor favoritism" or "kickback" issues are not a problem with a group in charge of contracting.

6. How is the funding of each department determined and who determines priorities in funding when revenues are scarce and projects in the various departments are many?

   The Executive and City Council adopt a ten-year projected Capital Improvement Program. The C.I.P. is developed after receiving input from citizens and involved departments and sets project priorities, appropriating funds for same.

7. With whom do the councilmen deal if they have a request or complaint regarding a department? Is their communication done through the Chairman, Executive Secretary of the Board or directly to the department heads?

   Directly to departments and if it is not settled satisfactorily, then to the Executive Secretary and/or the Board of Public Works for action.

If we can be of further assistance, please advise.

Very truly yours,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:

cc: Mayor Charles Royer
BPW Members
City Council

Att.

BPW
11/21

November 20, 1979

Michael K. Ross
United Inner-City Development Foundation Inc.
120 - 23rd Ave. East
Seattle, Washington 98102

Dear Mr. Ross:

Per your recent request to the Board of Public Works, United Inner City Development Foundation has been added to our list of plan centers and will receive a set of plans and specifications for all future Engineering Department projects.

We ask that you return to us the plans and specs for each job after the bids have been opened. Our mailing address is as follows:

Seattle Engineering Department
Room 800 Seattle Municipal Bldg.
600 4th Ave.
Seattle, Washington 98104

If we can be of further assistance, please contact our office at 625-2873.

Very truly yours,

PAUL A. WIATRAK, P.E.
Director of Engineering

By
James L. Olson, P.E.
Estimates & Specifications

JLO:msk

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
M E M O R A N D U M

November 15, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Markups on Extra Work

This memo is a reminder that contractor markups for overhead and profit on payment for extra work on public works contracts should not exceed amounts specified on Page 14 of the City of Seattle Supplement to Standard Specifications for Municipal Public Works Construction. The allowable markups cover bonding, insurance, fringe benefits, labor costs, employment taxes, etc.

These limitations should be strictly adhered to. Please remind your people. Thank you.

BLM/jw

ROUTING	DATE	INITIAL
ACTION		
FILE		
INFORMATION		
PAW		
AEM/LFC		
EMW/S.D.		

SEATTLE ENG. DEPT.
79 NOV 20 A 7:30

BPW

PAUL A. WIATRAK, DIRECTOR OF
ENGINEERING

Re: Plan Centers for BPW improvements

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 11-14-79
(date)

All BPW Members
(referred to)

Bm
(referred by)

_____Please prepare reply for the Executive Secretary's signature on office stationery.

_____Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

_____Forwarded for your investigation, report, and recommendation.

_____Forwarded for your information and files.

X Other: File and your plans & space to United Inner City Develop. Foundation as we have added them to our list of plan centers, as requested.

*Action requested no later than _____
(date)

cc: Michael K. Kee, Exec Dir, UICDF

ROUTING	DATE	INITIAL
ACTION		
FILE	/	
INFORMATION		
PAW		
AEM	DJH	

SEATTLE ENG. DEPT.
79 NOV 16 A8:14

United Inner-City Development Foundation Inc.

Seattle Business Development Center

120 - 23rd Ave. East Seattle, WA 98102 (206) 325-7633

RECEIVED
Nov 9 10 45 AM '79
SECRETARY
BOARD OF PUBLIC WORKS

November 7, 1979

City of Seattle
Board of Public Works
600 4th Avenue, Room 303
Seattle, WA 98104

Attention: Betty McFarland

Gentlememn:

Request is hereby made that we be added to your list of plan centers for receipt of plans and specifications for all Public Works contracts.

Effective July 15, 1979, United Inner City Development Foundation was awarded the Minority Business Development Agency (OMBE) contract to provide services to minority contractors and designated a plan center in accordance with said contract.

Sincerely,

Michael K. Ross
Executive Director

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

November 1, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Meetings and Submittal of Agenda Items

Since Monday, November 12, 1979, is a City holiday, agenda items for the Board meeting of November 14, 1979 must be received in this Department by Friday, November 9, 1979, by 5:00 p.m.

In addition, the Board will not meet on Wednesday, December 26, 1979. Agenda items for the January 2, 1980 meeting are due in by 5:00 p.m. Friday, December 28, 1979. Thank you.

BLM/jw

cc: Mayor Charles Royer
Doug Howell/John Skommesa/Leonard Clark, Engineering
Ed Engel, Evelyn Larson, Parks
John Hansen, City Light
Bill Rashkov, Water
Bob Snyder, Buildings
Al Wyemura/Rich Richmir , Seattle Center
Roberta Standifer/Willie Winston, HRD
Citizens Service Bureau
Bill Woodward, Buildings

SEATTLE ENG. DEPT.
79 NOV 5 A7:37

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
Paul		
	M Staff	
	DJH	
	LFC	
	REN	

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Re: Informal Opinion from Law Dept. SB 2161

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 11/1/79
(date)

All BPW Members
(referred to)

Blm
(referred by)

____Please prepare reply for the Executive Secretary's signature on office stationery.

____Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____Forwarded for your investigation, report, and recommendation.

X____Forwarded for your information and files.

____Other: _____

ROUTING	DATE	INITIAL
ACTION		
FILE	V	
INFORMATION		
PAW		
AEM/DJH		
4FC		
EMA		

JGR/DWA

__ ORIGINAL: City Attorney
__ COPIES: Bd of Public Works
Improvements, Proposed

*Action requested no later than _____
(date)

cc: O.M.B - Attn. Barnes

SEATTLE ENG. DEPT.
79 NOV 5 A7:38

THE CITY OF SEATTLE

LAW DEPARTMENT
MUNICIPAL BUILDING . SEATTLE, WASHINGTON 98104
AREA CODE 206 TELEPHONE 625-2402
DOUGLAS N. JEWETT, CITY ATTORNEY

RECEIVED
OCT 31 5 15 PM '79
SECRETARY
BOARD OF PUBLIC WORKS

October 30, 1979

Ms. Betty McFarlane
Executive Secretary
Board of Public Works
The City of Seattle

Re: SB 2161 Small Works Roster

Dear Ms. McFarlane:

You are correct in reading RCW 35.22.620 to be amended by SB 2161 only to add subsection 2 thereto.

Subsection 2 does not permit theCity to contract only persons on a small works register to bid on small contracts. Rather, subsection 2 is "in addition to the procedures of subsection 1", which include open competitive sealed bids.

Very turly yours,

DOUGLAS N. JEWETT
City Attorney

By S. R. Sampson
S. R. SAMPSON
Assistant

SRS:ne

BPW

THE CITY OF SEATTLE

LAW DEPARTMENT

MUNICIPAL BUILDING . SEATTLE, WASHINGTON 98104

AREA CODE 206 TELEPHONE 625-2402

DOUGLAS N. JEWETT, CITY ATTORNEY

October 29, 1979

ROUTING	DATE	INITIAL
ACTION		
PMB		
FILE	✓	
INFORMATION		
(PAW)		
EMW/KJA		

OCT 31 8 44 AM '79

SEATTLE WA DEPT

Paul A. Wiatrak
Director of Engineering
The City of Seattle

Attn: E. M. Whiting
Assistant City Engineer

RE: Implementation of CITY PROCUREMENT CONTRACTING report: Engineering Files

Dear Sir:

The Finance Committee of the City Council has requested the assistance of this office in preparing the necessary legislation for implementation of aspects of the CITY PROCUREMENT CONTRACTING report. One of the areas approved for implementation is set forth in the following record of the Finance Committee:

> "D. Provision designating the Engineering Department as the organization responsible, following rules, regulations and policy guidance of the Board of Public Works, for maintaining the City's master file of standard plans and specifications and records for work in the public street right-of-way. The Engineering Department should review all plans and specifications and incorporate them into the master specifications as appropriate."

Please advise as to your department's understanding of the tasks and process (both physical and financial) necessary to accomplish the goals set forth in the above-quoted section. In your discussion, we would appreciate a brief, summary analysis of the current record systems maintained by your Department, and the City.

The undersigned Assistants will be working on this aspect of the "Contracting" report, and are available to discuss issues relating to the record systems.

Thank you for your attention to this matter.

Very truly yours,

DOUGLAS N. JEWETT
City Attorney

GORDON B. DAVIDSON
Assistant City Attorney

By P. Stephen DiJulio
P. STEPHEN DiJULIO
Assistant City Attorney

PSDJ:fmh

cc: City Council

BPW

THE CITY OF SEATTLE

LAW DEPARTMENT

MUNICIPAL BUILDING . SEATTLE, WASHINGTON 98104
AREA CODE 206 TELEPHONE 625-2402
DOUGLAS N. JEWETT, CITY ATTORNEY

October 25, 1979

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
RRP		
EHW/RHC		
AEM/DJH		

SEATTLE LAW DEPT
OCT 29 8 45 AM '79

Paul Wiatrak
Director of Engineering
The City of Seattle

Attn: R. R. Parker

RE: Small Public Works Roster

Dear Mr. Wiatrak:

By memo of October 9, received by the Law Department on October 17, 1979, you inquired about the creation of a roster of contractors for small public works pursuant to Ch. 89, Laws of Washington 1979, 1st ex. session, and have asked several questions in such connection. We answer your questions in the text of our response.

We advise that the new law, amending RCW 35.22.620, does not excuse cities from the requirement of calling for competitive bids on public works contracts for more than $10,000, or $15,000 in the case of water mains. By its own terms, RCW 35.22.620(2) provides that the use of a small works roster is "in addition to" the competitive bidding requirement of RCW 35.22.620(1). Further, new language at RCW 35.22.620(2)(C) provides that

> "When awarding such a contract for [small] work, the estimated cost of which is thirty thousand dollars or less, the city shall award the contract to the contractor submitting the lowest responsible bid."

Bidding is contemplated and required by the law, whether or not a small works roster is used.

ORIGINAL: City Attorney
COPIES: Bd of Public Works
Improvements, Proposed

You have expressed an interest in disqualifying from bidding any contractor whose performance has been poor. Case law indicates that the right to engage in contracting is a "fundamental right" which cannot be deprived without due process of law. 16 A.C.J.S., Constitutional Law, § 575; Ketcham v. King County Medical Service, 81 Wn.2d 565, 502 P.2d 1197 (1972). The common aspects of due process prior to deprivation of a right include notices of charges, if any, against a person; opportunity to contest charges; notice of time and place of hearing; impartial hearing tribunal; opportunity to present evidence; opportunity to cross-examine opposing witnesses; findings of fact, and written conclusions. Goldberg v. Kelly, 397 U.S. 254, 25 L.Ed.2d 287, 90 S. Ct. 1011 (1970). Further, determinations of "poor performance" short of breach of contract would have to be made against an objective standard. The term "poor" is too vague, legally, to give notice to a reasonable person as to what is proscribed. Vague standards offend due process and cannot be enforced. Seattle v. Drew, 70 Wn.2d 405, 423 P.2d 522 (1967); Papachristou v. City of Jacksonville, 405 U.S. 156, 31 L.Ed.2d 110, 92 S. Ct. 839 (1972).

You have inquired whether an ordinance would be necessary to implement a small works roster in the Engineering Department. Because the use of a roster is merely in addition to usual bid requirements, the use of a roster would not change the rights of any person. Its implementation could be regarded as merely administrative, not legislative. No ordinance would be required to implement a roster unless budget amendments were necessary to finance its use.

You ask whether implementation of specific evaluation criteria for contractor performance requires an ordinance. Because implementation of a performance evaluation system would affect the rights of individuals outside the Engineering Department, it should be undertaken only upon identification of a proper authority according to standards, and with due process safeguards. Barry & Barry, Inc. v. Department of Motor Vehicles, 81 Wn.2d 155, 500 P.2d 540 (1972). The City Council could either delegate to the Director of Engineering the duty to develop and implement criteria, or the Council could adopt criteria directly. Either course would require an ordinance.

An appeal procedure for disqualified contractors would also require an ordinance (1) to delegate hearing duties to the proper entity, and (2) to assure as a matter of law that due process was accorded to contractors by the creation of a hearing body. Barry & Barry, Inc., supra.

Finally, you have also requested our opinion and guidance generally regarding the use of a small works roster.

Because the use of a roster is only an addition to the use of regularly advertised competitive bidding, the City gains nothing by its use. Rather, the City is subject to guarantees of procedural and substantive due process if a roster is used.

Further, a more complete nonexclusive consultant list is proposed as a part of the Women and Minority Business Enterprise ordinance now before the City Council. Under these circumstances, we suggest that development of a small contractor's roster by the Engineering Department would be of limited utility. We recommend that if development of a roster is pursued, that activity be coordinated with development of the WMBE ordinance.

Very truly yours,

DOUGLAS N. JEWETT
City Attorney

By Susan R Sampson
SUSAN R. SAMPSON
Assistant

SRS:fmh

cc: Mayor

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

October 17, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Cancellation of Board of Public Works Meeting
October 31, 1979

The Board of Public Works will not hold a meeting on Wednesday, October 31, 1979, due to lack of a Chairman and Vice Chairman. The Board will meet again, in regular session, Wednesday, November 7, 1979.

The two bid openings scheduled for October 31 have been rescheduled to November 7, 1979.

BLM/jw

cc: Doug Howell/Len Clark/John Skommesa - Engineering
Ed Engel/Evelyn Larson - Parks
Bob Snyder/Bill Woodward - Buildings
John Hansen - City Light
Bill Rashkov - Water
Roberta Standifer/Willie Winston - HRD
Susan Lane - OWR
Mayor's Office
Al Wyemura, Seattle Center
Rich Richmire, Seattle Center

ROUTING	DATE	INITIAL
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AEM/DJH		
	LFC	
	REN	

GW Staff

SEATTLE FIRE DEPT
OCT 18 10 16 AM '79

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Emergency Appropriation to
1979 and 1980 Budget

ROUTING	DATE	INITIAL
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	✓	
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PAW		

October 12, 1979

SEATTLE END DEPT
OCT 15 10 45 AM '79

Mr. Casey Jones, Director
Office of Management and Budget
City of Seattle

Attention: Royal Alley-Barnes

Dear Mr. Jones:

We wrote the attached communication to you on September 28, 1979, regarding our problems in refilling CETA positions vacated by people who have completed the time allowed for such employment. This Department had previously agreed to CETA funding for the positions rather than converting them to the Budget because we were assured the present CETA positions could be refilled. Today we received verbal information from the Personnel Dept. that a CETA hiring freeze went into effect yesterday.

This creates a critical problem for us as a void in these positions will not allow sufficient staff to accomplish our Charter and Ordinance responsibilities. I am, therefore, requesting your approval for emergency appropriations for two permanent positions: one Account Technician I in lieu of CETA Account Support Assistant and one Office Assistant, in lieu of CETA Program Aide. We have an immediate need for these two permanent positions from November 1, 1979 through December 31, 1979 and after that period to be included in our 1980 budget. No funds are in our 79 Budget for this purpose.

Since this is a public office we must assure that our records will continue to be readily accessible to all concerned and properly maintained for posterity. We cannot do this without the Office Assistant and Account Technician I. With the high volume of matters coming to this Department daily there is no way we can keep up with it. It is resulting in a backlog of work and poor response time. Contract administration must continue.

For these reasons we would appreciate your immediate review and approval of this funding. Attached is a breakdown of costs associated with our request.

Very truly yours,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb
cc: All Board Members, Mayor Charles Royer
Everett Rosmith, Acting Director, Personnel Dept.
Att.

Mr. Casey Jones
Re: Emergency Appropriation 1979
and 1980 Budget

October 12, 1979

ATTACHMENT

1979 Budget Increase - $4,900
(2 months - November and December)

Account Tech. I -	$2,246	Salary
	200	Benefit
	$2,446	
Office Assistant -	$1,704	Salary
	200	Benefit
	$1,904	

1980 Budget Increase - $33,840

Account Tech. I -	$15,168
	3,354
	$18,522
Office Assistant -	$11,964
	3,354
	$15,318

BLM:wb

BPW
10/15

D. N. Jewett, City Attorney Attention: Susan Sampson

R. R. Parker, Asst. Director -
Management & Planning Div., Engr. Dept.
Public Works Contracts - Small Works Roster

Oct. 9, 79

The intent of this memo is to obtain an opinion from the Law Department, regarding the creation and use of a roster of contractors to be used for low dollar projects conducted by the Engineering Department.

It is our understanding that Ch. 89, Laws of 1979 Ex 1, changed existing laws to permit the use of a small works roster to award contracts of thirty thousand dollars ($30,000) or less.

Through the use of a roster we hope to eliminate the requirements for bidding low dollar value contracts and to shorten the time required for project completion. Also we would like to be able to disqualify contractors for specified periods of time due to poor performance.

In order to implement a small works roster in the Engineering Department would any of the following be required:

1. An ordinance by the City Council?
2. Specific evaluation criteria for contractor performance?
3. An appeal procedure for disqualified contractors?

Would you please provide us an opinion and guidance regarding our proposed use of a small works roster.

CMB:ejn

Orig Copy: City Attorney
Copy : Insprs, Proposed

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

October 8, 1979

Re: Executive Assistant,
Administrative Services,
Board of Public Works

Mr. Michael E. Purdy
10201 S. W. 126th Street - Apt. 215
Seattle, Washington 98146

Dear Mr. Purdy:

As per our telephone conversation today, we would like to hire you for the position of Executive Assistant, Administrative Services. You agreed to this appointment.

Your background and abilities are what we are looking for. We will have the appropriate paperwork started immediately, and advise as soon as we know when you may report for work.

Sincerely,

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary,
Board of Public Works

BLM/jw

cc: Board of Public Works Members

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SEATTLE WASH
OCT 9 10 24 AM '79

BAW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

October 2, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Consultant Contract submittals to Board of Public Works

Reminder:

Lately, consultant contracts have been coming to the Board of Public Works without approval of the Human Rights Department. We, then, must hold the item and check with HRD for their response. This holds up your contract award and places another burden on our understaffed Department.

The Board's procedure for submittal of consultant contracts is that departments shall obtain approval of Human Rights prior to submitting contracts to the Board for approval. Pre-award meetings are to be held with the Human Rights Department and the consultant and the Affirmative Action approval slip signed by OWR/HRD at that time, and submitted to the Board with the contract. Please do not include signature lines on the contract for HRD, but attach the HRD approval slip to the contract.

Page 60 (Supplement) of the Board's policy book shows a flow chart for public works consultant contracts. Note time allowances and the double asterisk at the bottom of the page.

Please follow the Board procedure in this regard.

BLM/jw

Att: Page 60 (Supplement) Board of Public Works Policy - Consultants

cc: Human Rights Department -
Vivian Caver
Willie Winston
Constance Millerengelsberg
Office of Women's Rights -
Patria Robinson-Martin
Project Managers

ROUTING	DATE	INITIAL
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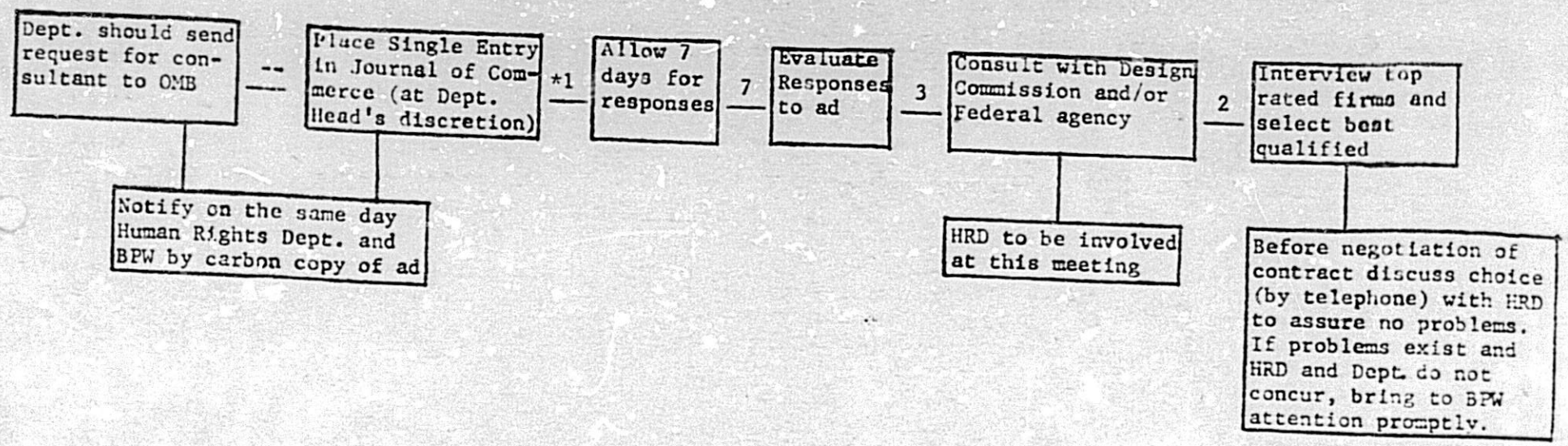
SEATTLE LAW DEPT
OCT 3 7 35 AM '79

BOARD OF PUBLIC WORKS
STEPS FOR RETAINING CONSULTANTS ON PUBLIC WORKS PROJECTS



* Calendar days

** At pre-award, if problem exists, HRD recommends X number of days (maximum of 2 weeks) delay to investigate. If by delayed time HRD has not resolved problem, awarding authority shall award contract. Investigation can still go on. If probable cause is found, HRD can then use Ordinance procedures to obtain compliance. If during investigation, and prior to award, consultant fails to cooperate, recommendations will be made to the Board not to award to that consultant.

APPROVED by the Board of Public Works in regular session October 22, 1975.

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

ROUTING	DATE	INITIAL
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September 28, 1979

Mr. Casey Jones, Director
Office of Management and Budget
City of Seattle

Attention: Ms. Royal Alley-Barnes, Budget Analyst

SEATTLE ENG DEPT
OCT 1 8 08 AM '79

Dear Mr. Jones:

In preparing our 1980 Budget, we were advised that two Ceta positions would not be made permanent in our Budget because even though the present incumbents were not eligible to continue in their jobs, we could refill the positions under Ceta.

We have been unsuccessful in refilling these positions under Ceta.

1. CETA ACCOUNT SUPPORT ASSISTANT - The person in this position is responsible for carrying out the administration of contract activities in our Contract Administration Division. The position has been vacant since May 7, 1979 (five months). To date, we have received only two referrals from Employment Security. Neither of the individuals had taken the Office Assistant examination to enable us to hire. Since then, we have hired temporaries, but our Budget will not allow this any longer. This is the only position under the Assistant Secretary of the Board to carry out the day-to-day duties connected with administration of contracts. Temporary employees have not been successful in meeting our total needs. They are unfamiliar with our area of expertise. It takes considerable day-to-day training to bring them up to the level of learning necessary to accomplish these duties. Temporaries come and go before complete training is completed. This situation causes a backlog of work, etc. The situation is becoming critical because of the lack of funds in our Budget to continue the present temporary pending Ceta filling of the position.

2. CETA PROGRAM AIDE - Vacant since September 12, 1979. We have had discussions with the CETA Counselor who stated that the Program Aide position would be difficult to fill. She also stated that the available referrals under the new Ceta guidelines are very restrictive. The Program Aide is responsible for maintaining our cross-reference filing system and accomplishing other necessary support services which the other two secretaries can not meet due to heavy work load.

I am now down to three budgeted positions; two Administrative Specs. and an Assistant Secretary. You have a description of our work measurements included in the 1980 Budget. I am sure you will agree that both of these Ceta positions are vital to the Department's operation. We therefore, request your assistance in either getting these Ceta positions filled, or in allowing us the funds in our Budget for two temporary people, immediately. We cannot guarantee that we will be able to continue to carry out our Charter and Ordinance responsibilities of contracting and management of public streets if we do not have people to carry out the work.

Your attention to this matter will be appreciated.

Very truly yours,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

cc: John Franklin, Ceta

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Board of Public Works Departmental Budget for 1980

September 24, 1979

Honorable Charles Royer
Mayor
City of Seattle

Dear Mayor Royer:

As requested, the following is my analysis of current budget needs. The Board of Public Works Department has in the past had consistently deficient budgets to provide the necessary staff and operating funds to carry out the full responsibilities and Charter jurisdiction. I am certain that the Contracting Study will solve the problems of the past and provide the necessary staffing and funding to allow us to effectively and efficiently administer contracting activity in its entirety.

Our top priority and concern is to keep up with the Department's ever-increasing workload and the various rules, regulations and laws which govern public street management, utilities and public works. We are down to a staff of 4 in the office: an Assistant, two secretaries, and myself. The Contracting Study will improve this situation, and we look forward to closely working with O.M.B. on developing the organization and budget for this Department in 1980.

Yours very truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM/jw

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OCT 1 7 25 AM '79
SEATTLE ENG DEPT

BPW

9/6

Betty Mc Farlane, Executive Secretary, Board of Public Works

Paul A. Wiatrak, Director of Engineering — September 5, 79

Retainage - Investing — Sgd. Paul A. Wiatrak

We have not received a memorandum from the Board of Public Works on Retainage Investment on the following contracts which were awarded. As an alternate, you can send us a copy of the "Declaration of Option" or have this information written on the contract award notice in the future. Information on the following jobs are needed.

AWARDED	NAME & NATURE		CONTRACTOR
July 18, 1979	Beacon Avenue So., Phase I	Street Improvements	Gary Merlino Constr.
	Beacon Avenue So., Phase II	" "	Gary Merlino Constr.
	Holman Rd. N.W., et al	Widening, etc.	Gary Merlino Constr.
	Lake City Way N.E.	Signal Modernization	Westcoast Electric Co. of WA, Inc.
July 25, 1979	28th Avenue South	Concrete Walks	Gary Merlino Constr.
	Roadway Structures Project #7 (5th Ave. South Bridge)	Rehabilitation	Sealant System Co.
	Alley in Block 83, Gilman's Addition	Paving, etc.	Gary Merlino Constr.
	Northeast 45th Street	Sewer Replacement	King Construction
	South Dawson Street	Concrete Walks	Edwards & Dorais Const. Co.
	Aurora Avenue North UAB	Signalization, etc.	General Service Electric
August 1, 1979	South Juniper Street	Sanitary Sewers	R. L. Alia Co. & O. R. Alia, Inc.
August 8, 1979	South Director Street	Sanitary Sewer System	Tri-State Construction, Inc.
August 22, 1979	Alley Montbeacon Addition	Paving	H & B Cement Finishing Co.
	Curb Ramps-Phase A, FAUS Project M-9999(12)		Valley Cement Const., Inc.
	Greenwood Avenue North	Concrete Walks	R. L. Alia Co. & O. R. Alia, Inc.
	Southwest Jacobsen Road	Watermains	Gary Merlino Const. Co.

Information

Concurrence Prior to Signature

SD SD

KJ KJ

SD:cvk

BPW

8/29

M E M O R A N D U M

August 29, 1979

To: Betty L. McFarlane, Executive Secretary
Board of Public Works

From: Doug Howell

Re: Routing of Board of Public Works' Plans and Specifications

In response to the Board of Public Works' memo of August 15th concerning procedures for routing Board of Public Works' plans and specifications, the Engineering Department requests that we have the opportunity to review all plans and specifications prior to Board of Public Works' approval.

DJH:mk
cc: Ray Allwine
Art Maronek

B PW

Paul A. Wiatrak, Director of Engineering

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
MEMORANDUM

August 15, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Procedures for Routing Board of Public Works' Plans and Specifications

April 26, 1979, a Board of Public Works' committee met to discuss procedures for routing Board of Public Works' plans and specifications. To refresh your memory, attached is the May 3, 1979 committee consensus regarding same.

In the Board's meeting, today, the Superintendent of Buildings expressed concern that there were plans and specifications being routed to his department which he did not need to see. In some cases, there is a duplication of reviews by his department on the same plans and specifications. This needs to be tightened up and can only be done by each department assigning someone to be in charge to keep track of what has been reviewed and by whom. Some departments wish to see all plans and specifications--others do not. They wish to see only those plans and specifications which will affect their department and all the permits issued by their departments. If this is the case, please send the Board of Public Works a memo indicating whether or not you want to see all the plans, or to have the plans and specifications limited to those affecting your department.

The Board will discuss the matter next week.

SEATTLE ENG DEPT
AUG 16 10 16 AM '79

BLM:eas
Attach.
cc: Ed Engel, Parks and Recreation Dept.
Rick L. Dettinger, City Light Dept.
J. H. Summers, City Light Dept.
Ray Allwine, Engineering Dept.
Doug Howell, Engineering Dept.
Jerry Dahl, Engineering Dept.
Don Swenson, Building Dept.
Bob Snyder, Building Dept.

ROUTING	DATE	INITIAL
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EMW/JJG/RHA		
REN/JMS		

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

May 3, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Meeting on Procedures for Routing Board of Public Works' Plans and Specifications

The Board of Public Works' Committee met on the above subject, April 26, 1979, in Room 303 at 10:00 a.m. Ed Engel, representative from the Parks and Recreation Department, chaired the meeting. Those in attendance were:

Ed Engel, Parks and Recreation Department
Rick L. Dettinger, City Light Department
J. H. Summers, City Light Department
Ray Allwine, Engineering Department
Doug Howell, Engineering Department
Jerry Dahl, Engineering Department
Don Swenson, Building Department
Bob Snyder, Building Department
Betty McFarlane, Board of Public Works

Committee members discussed procedures each individual department has for circulating plans and specifications and obtaining necessary permits on public works improvements. APWA Standard Specifications, Section 7--1.10--Permits and Licenses, specify that the contractor shall procure all necessary permits, pay for same, and obtain all official licenses for the construction of the work... This is not followed in all cases. Some of the departments obtain the necessary permits for the contractor. The project specifications and bidding documents must be clear when this is the case.

The Parks and Recreation Department reported that there are instances when the Building permit review and approval has caused delays in contractors being directed to work. Committee members felt that such delays could be eliminated by departments applying ahead of time for required permits.

Most of the projects involved are designed by architects and they are responsible to know all permits which are necessary. They also have adequate lead time to pursue obtaining same prior to circulation of the plans and specifications, if necessary. Other departments have a section or division responsible for finding out what permits are necessary and making sure that these permits are obtained, prior to circulation of plans and specifications.

The Committee felt that on the whole, circulation of the plans and specifications was working well, however, departments should use more copies to circulate to various permit people as well as regular Board of Public Works' reviewing people. This would tighten up the time frame for review and cover all concerned at one time so there is no duplication of effort.

City Light brought up the problem of Fire Department and others sometimes holding up plans and specifications. The Committee felt that departments should write to the department head involved when plans and specifications are being held up, and to specify a deadline for response back so that timely reviews will be made. When departments send out their plans and specifications for Board circulation and review, they should state what permits are necessary and obtain all permits prior to Board approval of the plans and specifications. Departments are taking a chance if permits are not issued and the project is advertised for bid. There is a possibility of litigation and it is best to avoid the problem by obtaining the permits beforehand.

The Committee believes that with each department working closely with all concerned that the plans and specifications can be circulated in a timely manner and permits obtained prior to the advertising stage of the project.

BLM:eas

cc: Mayor Charles Royer
Casey Jones, Director, O.M.B.
Ed Engel, Parks & Recreation Dept.
Rick L. Dettinger, City Light Dept.
J. H. Summers, City Light Dept.
Ray Allwine, Engineering Dept.
Doug Howell, Engineering Dept.
Jerry Dahl, Engineering Dept.
Don Swenson, Building Dept.
Bob Snyder, Building Dept.

BOARD OF PUBLIC WORKS
Date 5-9-79
Approved
Denied
Committee of Whole
Referred
Other Information

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

August 14, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Subject: Agenda Items

All items to be included on the Board's agenda for September 5 should be received in this office prior to 5:00 p.m., close of business, on Friday, August 31, due to Monday, September 3, being a City holiday.

Thank you.

BLM/jw

cc: Roberta Standifer/Willie Winston, HRD
Ed Engel, Evelyn Larson, Parks
Doug Howell/John Skommesa/Leonard Clark, Engineering
Bob Snyder/Bill Woodward, Buildings
Bill Rashkov, Water
John Hansen, City Light

SEATTLE ENG DEPT
AUG 15 10 07 AM '79

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BPW

Paul A. Wiatrak, Director of Engineering

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
M E M O R A N D U M

August 10, 1979

To: Law Department -
Gordon Davidson, Assistant City Attorney and
Philip King, Assistant City Attorney

From: Betty L. McFarlane, Executive Secretary BLM

Re: Informal Opinion on Supplemental Contract Retainage

Attached is a communication from the Superintendent of City Light with a proposed procedure for retaining monies on supplemental contracts. I am forwarding it for your review, and would appreciate knowing if you feel it is in compliance with the law.

After reviewing RCW 60.28.010, it appears to me that any retainages held on supplementals would be subject to the provisions of 60.28.020 which state that after the expiration of the 30-day period and after receipt of the Department of Revenue's certificate and the public body is satisfied that the taxes certified as due or to become due by the Department of Revenue are discharged, and the claims of material men and laborers who have filed their claims,...the public body shall pay to the contractor the fund retained by it...

I would appreciate knowing as quickly as possible so that we can advise our departments whether or not it will be required that the State release should be obtained by the Comptroller prior to the release of the retainage.

SEATTLE ENG DEPT
AUG 15 10 07 AM '79

BLM:eas

Attach.

cc: All BPW Members

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Your
Seattle
City Light

Robert H. Murray, Superintendent
Charles Royer, Mayor

July 25, 1979

Board of Public Works
City of Seattle

Attention: Mrs. Betty L. McFarlane

Gentlemen:

Supplemental Contract Retainage Procedure

In response to your letter of June 19, 1979, we propose to comply with your directive for retainage held on supplemental contracts as follows:

1. Upon completion of basic contract:
   - A. Prepare final estimate.
   - B. Prepare supplemental contract for remaining work.
   - C. Notify Department of Labor and Industries of completion.
2. BPW accepts basic contract and approved supplemental contract.
   - A. Notify Department of Revenue of acceptance.
3. Release retainage for basic contract.
   - A. Thirty days after acceptance of contract and upon receipt of appropriate State of Washington releases.
4. Payment of retainage for supplemental contract.
   - A. Five percent of supplemental contract will be withheld from supplemental contract payments and retained by City Light.
   - B. Thirty days after work has been completed and accepted by the Board of Public Works, the supplemental contract retainage will be paid by City Light to the contractor via the "Final Supplemental Estimate". Payment of this retainage will not require another set of State of Washington releases as were executed under the basic contract.

Yours very truly,

Robert H. Murray
Superintendent

JHS:cb

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

August 1, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Approval of Distribution Sheets for Public Works Claims and Vouchers

In regular session on July 11, 1979, the Board of Public Works adopted a rule relative to authorizing the Chairman and Executive Secretary to approve and sign the distribution sheets for public works claims and vouchers of the various departments of the Board, to eliminate formal action and approvals by the Board in regular session.

Please insert the attached Page 52(a) Revised 7-11-79 in all Board of Public Works "Rules." It also will be placed on file with the Board of Public Works' procedures in the City Comptroller's Office.

BLM/jw

Att.

cc: City Comptroller - C.F. No. 276261

AUG 3 7 44 AM '79
SEATTLE ENG DEPT

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Rule 10. *All requests and recommendations of the Board members for their respective Departments shall be made in writing to the Executive Secretary for presentation to the Board, all communications to be in duplicate, and be in the hands of the Executive Secretary no later than 5:00 p.m. of the Monday preceding the Board meeting.*

Rule 11. *All recommendations and requests from the Board departments must be endorsed by the Department Head before action is taken thereon by the Board.*

Adopted by the Board of Public Works in regular session on January 3, 1979.

Rule 12. *The Chairman and Executive Secretary of the Board are authorized to approve and sign the distribution sheets of all vouchers and claims of the various departments of the Board of Public Works without action by the Board.*

Adopted by the Board of Public Works in regular session on July 11, 1979.

BPW

ART MARONEK, ENGINEERING DEPT.

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

July 31, 1979

To: All Board Members

From: Betty L. McFarlane, Executive Secretary

Re: Change Orders

In reviewing Change Orders I notice at times there are design errors and omissions which cause construction problems resulting in the added cost and extra work. Contractors are paid for the Change Order work and the project charged accordingly.

Please advise if administering departments involved are carrying through with the requirements of the consultant contract in connection therewith, which provides insurance to pay for errors and omissions. Are the architects' insurance companies being charged for the errors or omissions in such cases?

BLM:wb

cc: Bob Snyder, Building Dept.
Al Wyemura, Seattle Center
Art Maronek, Engineering Dept.
Leonard Clark, Engineering Dept.
Ed Engel, Parks & Recreation Dept.
Scott Haskins, Water Dept.
Tom Spring, Water Dept.
C. T. Rockey, City Light Dept.
J. M. Hansen, City Light Dept.

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AUG | 7 50 AM '79

SEATTLE ENG DEPT

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

July 17, 1979

To: All Board of Public Works Departments

From: Betty L. McFarlane, Executive Secretary BLM

Re: Public Works Contracts Forms

Please send to this Office copies of all your forms pertaining to public works contracts; i.e., change orders, supplemental contracts, estimates, consultant contract format, and any written inter-departmental Operating Procedures which pertain to issuance of same.

BLM:wb

SEATTLE ENG DEPT
JUL 19 7 27 AM '79

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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Legal Op. on Re: Contracting Study - Members of BPW

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 6/22/79
(date)

All BPW Members
(referred to)

Blm
(referred by)

ROUTING	DATE	INITIAL
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PHB		
AEM/DJH		
	LFC	
EMW/HEL/WGD		

____ Please prepare reply for the Executive Secretary's signature on office stationery.

____ Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____ Forwarded for your investigation, report, and recommendation.

X Forwarded for your information and files.

____ Other: _____

*Action requested no later than _____
(date)

Copy: Human Rights Dept
Bd of Public Works

Orig: City Attorney

SEATTLE ENG DEPT
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THE CITY OF SEATTLE

LAW DEPARTMENT

MUNICIPAL BUILDING . SEATTLE, WASHINGTON 98104

AREA CODE 206 TELEPHONE 625-2402

DOUGLAS N. JEWETT, CITY ATTORNEY

Re: Membership of Board of Public Works; "Designee" of Human Rights Director in Ordinance 101432

The Honorable Tim Hill
Chairman, Finance Committee
The Seattle City Council

Dear Councilman Hill:

By letter dated June 8, 1979, you requested our legal opinion upon two issues, as follows:

1. Can membership of the Board of Public Works include non-City officials or the heads of City offices (such as OMB) in addition to three department heads?

2. Can the Director of Human Rights delegate powers and duties under Ordinance 101432, Section 1, to the Office Women's Rights?

In our opinion, the answers to both questions are negative.

Composition of Board of Public Works

Article VII, § 1 of the City Charter states that "... there shall be a Board of Public Works composed of no less than three members who shall be City department heads..." The participial phrase "composed of... members" defines the components of the Board as "...members who shall be City department heads..." The words "not less than three" set a minimum number of members. The modifying phrase "...who shall be City department heads..." relates to the last antecedent noun, "members" and establishes a mandatory qualification, Cauphey v. Employment Security Department, 81 Wn.2d 597(1972); Schneider v. Forcier, 67 Wn.2d 161(1965).

Our opinion, dated May 2, 1979, to your Executive Director and the Budget Director analyzed the words "composed of" and interpreted the phrase as limiting membership of the Board to City Department Heads:

"The key words 'composed of' mean formed of, made up of, or consisting of. In re Bertsch, 132 F.2d 1014 (Ct. Cust. & Pat. Apps. 1943) ('composed of' in a patent case interpreted to mean 'consisting of' to exclude compounds that were not listed); Hookins Mfg. Co. v. General Elec. Co. 212 Fed. 423 (1913) (Similar conclusion); In re Wright's Estate, 2 N.Y.S.2d 25 (1938) (interpreting 'consisting of' in a will as words synonymous with 'composed of' or 'made up of' and limiting the bequest to the property listed); Baker v. Soltan, 118 Atl. 682 (N.J. 1922) (interpreting 'consisting of' in a will as describing the property listed, in contrast to the word 'including' which would cover other items as well). The mention of certain subjects by implication excludes others ('expressio unius est exclusio alterius'). Bradley v. Dept. of Labor and Industries, 52 Wn.2d 780 (1958). Therefore, as to the recommendation to include the Directors of OPP and OMB, there would be required another Charter amendment, inasmuch as the recommendation is inconsistent with Charter Amendment 1 which it purports to implement. Additionally, throughout Article 7 the recurrent reference to 'members' contemplates the appointment of individuals by the Mayor and excludes ex officio service independent of confirmation ('ex officio' means membership arising out of or by virtue of office or position: The American Heritage Dictionary of the English Language, 1969)."

The word "shall" is used twice in the sentence and is used consistently throughout Article VII. In all its contexts, it has a mandatory meaning, rather than a permissive meaning associated with the word "may" cf. 2A Sands, Sutherland on Statutory Construction (1973) 415 § 57.03.

The phrasing "a Board ... composed of ... members who shall be ... department heads" takes more words than the direct statement, "a Board ... composed of ... department heads...." However, it introduces the term, "member," which is used in the next five sentences in Section 1 and in Section 3. Nothing in Article VII, § 1 shows any intention of allowing private citizens or other City officers or employees to qualify as Board members. An extensive search of the records and election campaign information associated with the Charter Amendment in question discloses no expression of intent that persons other than department heads serve on the Board. Furthermore, Ms. Shirley Kolm, Director, Legislative Audits of the City Council's Central Staff, has reviewed tape recordings of committee hearings and informs us that on those tapes there appears no expression of intent to include on the Board persons other than City department heads. Those tapes do indicate that largely at the urging of Mr. Casey Jones, Budget Director, then Director of City

Council Central Staff, no non-City personnel were to be included on the Board. In our opinion, only City department heads are eligible for membership on the Board of Public Works.

Designee of Director of Human Rights

In relevant part, Ordinance 101432 § 1 defines "Director" as "...The Director of Human Rights or his designee." No limitation is placed upon the choice of designees in the ordinance. Nonetheless, we advise that certain limitations upon a choice of designees are inherent in Ordinance 101432, and prohibit delegation of authority to the Office of Women's Rights.

We base our advice upon the legal maximum "delegatus non potest delegare," that a delegated power, such as the power delegated by the City Council to the Human Rights Department in Ordinance 101432, cannot be further delegated to another. State ex rel. West v. City of Seattle, 61 Wn.2d 658, 379 P.2d 925 (1963).

It is common practice, recognized by the law, that heads of agencies may delegate their discretionary or quasi-judicial powers to subordinates within the same agency, 2 Am. Jur. 2d Administrative Law § 223. However, where the department head exercises a personal trust or confidence, or exercises judgment or discretion, his/her authority is personal, and cannot be delegated to one who substitutes for her/him, unless that substitution is expressly authorized by law, or is implied as a matter of necessity. Op Cit § 222.

Applying these rules to the construction of Ordinance 101432 § 1, we observe that it is an ordinance requiring the exercise of judgment and discretion, and therefore involves exercise of a personal trust. We observe further that it is not necessary to read the Ordinance to imply authority to delegate power outside the agency. Neither does the expression "or his designee" constitute a clear statement of authority to delegate outside the agency. Since the authority to delegate power outside the agency is unusual in administrative law, and in the absence of a clearer statement, Ordinance 101432 § 1 should not be read to grant that authority.

You have not advised us of the kind of power you envision the director of the Human Rights Department delegating to the Director of the Office of Women's Rights under Ordinance

101432, the contract compliance ordinance. We observe, however, that no such delegation could be validly vested in the Office of Women's Rights unless consistent with the authority of the Director of Women's Rights, as established by ordinance.

We trust this is of assistance to you.

Very truly yours,

DOUGLAS N. JEWETT
City Attorney

By
JORGEN BADER and
SUSAN R. SAMPSON
Assistant City Attorneys

SRS:mm
cc: Mayor
Board of Public Works
Vivian Caver
Susan Lane

BPW

Paul A. Wiatrak, Director of Engineering

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

June 20, 1979

To: All Board Members

From: Betty L. McFarlane, Executive Secretary

Re: Cancellation of Board Meeting Scheduled July 3, 1979

Due to many being away for the holiday, the Board of Public Works has cancelled its July 3, 1979 meeting.

The Board of Public Works will meet again, in regular session, on Wednesday, July 11, 1979.

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BLM:eas

cc: Al Wyemura, Seattle Center
Doug Howell/John Skommesa, Engineering
Don Harris/Evelyn Larson, Parks and Recreation
John Hansen, Lighting
William Rashkov, Water
Bob Snyder, Buildings
Roberta Standifer/Willie Winston, Human Rights
Citizens' Service Bureau
Mayor's Office

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PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

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June 19, 1979

Re: Retainage to be Held on Supplemental Contracts

Board of Public Works Members
City of Seattle

Gentlemen:

When payments come through the Board of Public Works for my signature, among other things, I check each Estimate to assure that proper retainage has been held. It has come to my attention that departments vary in applying the law as it pertains to withholding retainage on Supplemental Contracts. Since I believed that the law pertained to the entire contract, which includes the Supplemental, requiring retainage to be held, I checked with the City Attorney's Office to confirm that position. The advice I was given was that RCW 60.28.010 requires that retainage be held from the monies earned by the contractor during the progress of the work--a sum equal to 10% of the first $100,000 and 5% for all amounts over $100,000.

It provides further that the Board may at any time after 50% of the original contract work has been completed satisfactorily, make any of the partial payments which would otherwise be subsequently made in full;

> "but in no event shall the amount to be retained be reduced to less than 5% of the amount of the monies earned by the contractor."

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This communication is sent for the purpose of assuring that all public works administering departments will follow the RCW when making payments to contractors, and retain the appropriate amount of monies until 30 days after the completion and acceptance of the contract, and that includes any Supplemental Contract attached thereto.

Yours very truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM/jw

Atts.: 3

cc: Ed Engel, Park Department
Evelyn Larson, Park Department
Bill Rashkov, Water Department
Doug Howell, Engineering Department
Leonard Clark, Engineering Department
John Hansen, City Light Department
R. L. Snyder, Building Department
William Woodward, Building Department
Rich Richmire, Seattle Center Department
Al Wyemura, Seattle Center Department
E. L. Kidd, City Comptroller

60.28.010 Retained percentage--Labor and material lien created--Termination before completion--Chapter deemed exclusive (as amended by 1977 1st ex.s. c 205)

(1) Contracts for public improvements or work, other than for professional services, by the state, or any county, city, town, district, board, or other public body, herein referred to as "public body", shall provide, and there shall be reserved by the public body from the moneys earned by the contractor on estimates during the progress of the improvement or work, a sum equal to ten percent of the first one hundred thousand dollars and five percent for all amounts over one hundred thousand dollars of such estimates, said sum to be retained by the state, county, city, town, district, board, or other public body, as a trust fund for the protection and payment of any person or persons, mechanic, subcontractor or materialman who shall perform any labor upon such contract or the doing of said work, and all persons who shall supply such person or persons or subcontractors with provisions and supplies for the carrying on of such work, and the state with respect to taxes imposed pursuant to Title 82 RCW which may be due from such contractor. Every person performing labor or furnishing supplies toward the completion of said improvement or work shall have a lien upon said moneys so reserved: *Provided*, That such notice of the lien of such claimant shall be given in the manner and within the time provided in RCW 39.08.030 through 39.08.060 as now existing

and in accordance with any amendments that may hereafter be made thereto: *Provided further*, That the board, council, commission, trustees, officer or body acting for the state, county or municipality or other public body: (a) at any time after fifty percent of the original contract work has been completed, if it finds that satisfactory progress is being made, may make any of the partial payments which would otherwise be subsequently made in full; but in no event shall the amount to be retained be reduced to less than five percent of the amount of the moneys earned by the contractor; and (b) thirty days after completion and acceptance of all contract work other than landscaping, may release and pay in full the amounts retained during the performance of the contract (other than continuing retention of five percent of the moneys earned for landscaping) subject to the provisions of RCW 60.28.020.

(2) The moneys reserved under the provisions of subsection (1) of this section, at the option of the contractor, shall be:

(a) Retained in a fund by the public body until thirty days following the final acceptance of said improvement or work as completed; or

(b) Deposited by the public body in an interest bearing account in a bank, mutual savings bank, or savings and loan association, not subject to withdrawal until after the final acceptance of said improvement or work as completed, or until agreed to by both parties: *Provided*, That interest on such account shall be paid to the contractor;

(c) Placed in escrow with a bank or trust company by the public body until thirty days following the final acceptance of said improvement or work as completed.

When the moneys reserved are to be placed in escrow, the public body shall issue a check representing the sum of the moneys reserved payable to the bank or trust company and the contractor jointly. Such check shall be converted into bonds and securities chosen by the contractor and approved by the public body and such bonds and securities shall be held in escrow. Interest on such bonds and securities shall be paid to the contractor as the said interest accrues.

(3) If the public body administering a contract, other than a contract governed by the provisions of RCW 60.28.070, as amended, after a substantial portion of the work has been completed, finds that an unreasonable delay will occur in the completion of the remaining portion of the contract for any reason not the result of a breach thereof, it may, if the contractor agrees, delete from the contract the remaining work and accept as final the improvement at the stage of completion then attained and make payment in proportion to the amount of the work accomplished and in such case any amounts retained and accumulated under this section shall be held for a period of thirty days following such acceptance. In the event that the work shall have been terminated before final completion as provided in this section, the public body may thereafter enter into a new contract with the same contractor to perform the remaining work or improvement for an amount equal to or less than the cost of the remaining work as was provided for in the original contract without advertisement or bid. The provisions of this chapter 60.28 RCW shall be deemed exclusive and shall supersede all provisions and regulations in conflict herewith. [Amended by Laws 1963 ch 238 § 1; Laws 1st Ex Sess 1969 ch 151 § 1; Laws 1st Ex Sess 1970 ch 38 § 1; Laws 1st Ex Sess 1975 ch 104 § 1; Laws 1st Ex Sess 1977 ch 205 § 1.]

Reviser's Note: (1) RCW 60.28.010 was amended twice during the 1977 first extraordinary session, each without reference to the other.

For rule of construction concerning sections amended more than once at any session of the same legislature, see RCW 1.12.025.

(2) "RCW 39.08.030 through 39.08.060" now codified in RCW 39.08.030.

Ops Atty Gen 1971 No. 2 (absence of authority for state or other public body to require prospective bidders to indicate whether they will elect to have retained percentage of moneys placed in escrow for investment, pursuant to this section; statement of intent by bidder whether he will elect to leave retained percentage with public body as not basis of consideration in awarding contract).

Ops Atty Gen 1970 No. 21 (inapplicability of 1970 amendment of this statute, relating to investment of retained percentage of moneys earned in public works contracts, to contracts executed before the amendment's effective date).

51 ALR3d 657 (municipal property as subject to mechanic's lien).

1. In General

The retained percentage of a public improvement contract, which a public body must maintain under RCW 60.28.010, and the bond which a prime contractor must post pursuant to RCW 39.08.010, both exist for the benefit of all persons performing labor or furnishing supplies for the project, including employees of subcontractors. Crabtree v Lewis (1975) 86 Wn 2d 282, 544 P2d 10.

Security in the form of retainage funds released to a contractor for the purpose of paying for labor and materials received by him is in the nature of trust funds for such payment. The transference of such funds to his own use amounts to conversion and subverts the purpose of the lien statutes (RCW Title 60). Inland-Ryerson Constr. Products Co. v Brazier Constr. Co. (1972) 7 Wn App 558, 500 P2d 1015.

In an action to foreclose a materialman's lien on funds retained pursuant to RCW 60.28, the public works lien law, the alleged debtor is a necessary party upon whom service of process must have been made during the statutory life of the lien in order that the lien be enforced against such person. Galvanizer's Co. v Highway Com. (1973) 8 Wn App 804, 509 P2d 73.

A single notice which substantially complies with the requirements of RCW 39.08.030 to claim under the bond of a contractor for a public work project is adequate to give notice of both a claim against the bond and notice of a lien upon the reserved fund required by RCW 60.28.010, where such a notice does not mislead the parties being claimed against to their injury. Foremost-McKesson Systems Div. of Foremost-McKesson, Inc. v Nevis (1973) 8 Wn App 300, 505 P2d 1234.

The measure of damages for a materialman's lien under RCW 60.28.010 is the contract price for the furnished construction materials. Norris Industries v Halverson-Mason Constructors (1971) 12 Wn App 393, 529 P2d 1113.

A materialman claiming a lien for materials furnished to a construction project is exempt from the contractor's registration act, RCW 18.27, even though such a party may have inappropriately entitled himself a subcontractor when giving notice of his claim of lien. Norris Industries v Halverson-Mason Constructors (1974) 12 Wn App 393, 529 P2d 1113.

2. Reserve Fund

The scope of the protection afforded materialmen by the public works retention fund, RCW 60.28, extends to materials furnished to subcontractors. Norris Industries v Halverson-Mason Constructors (1974) 12 Wn App 393, 529 P2d 1113.

4. Lien

A materialman's lien under RCW 60.28.010 against public funds retained to satisfy claims arising from a public construction project is not comparable to a right of action against the surety of a principal. Norris Industries v Halverson-Mason Constructors (1974) 12 Wn App 393, 529 P2d 1113.

For purposes of a materialman's lien, items which are removable for servicing but form an integral part of the structure constitute materials which enter into and form a part of a structure. Norris Industries v Halverson-Mason Constructors (1974) 12 Wn App 393, 529 P2d 1113.

Notice of a claim of a lien against the retention fund under RCW 60.28 is sufficient if it informs the recipient of the extent of the claim and does not detrimentally mislead any other party. Norris Industries v Halverson-Mason Constructors (1974) 12 Wn App 393, 529 P2d 1113.

60.28.020 Excess over lien claims to contractor

After the expiration of the thirty day period, and after receipt of the department of revenue's certificate, and the public body is satisfied that the taxes certified as due or to become due by the department of revenue are discharged, and the claims of materialmen and laborers who have filed their claims, together with a sum sufficient to defray the cost of foreclosing the liens of such claims, and to pay attorneys' fees, have been paid, the public body shall pay to the contractor the fund retained by it or release to the contractor the securities and bonds held in escrow.

If such taxes have not been discharged or the claims, expenses, and fees have not been paid, the public body shall either retain in its fund, or in an interest bearing account, or retain in escrow, at the option of the contractor, an amount equal to such unpaid taxes and unpaid claims together with a sum sufficient to defray the costs and attorney fees incurred in foreclosing the lien of such claims, and shall pay, or release from escrow, the remainder to the contractor. [Amended by Laws 1st Ex Sess 1967 ch 26 § 23, effective July 1, 1967; Laws 1st Ex Sess 1970 ch 38 § 2; Laws 1st Ex Sess 1975 ch 104 § 2.]

Effective date—Purpose—Savings—1967 ex.s. c 26: See notes following RCW 82.01.050.

BPW

Paul A. Wiatrk, Dire[illegible]r of Engineering

Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Self-Help Concept--Public Works Improvements

June 15, 1979

James Hornell, Director
Department of Community Development
City of Seattle

Dear Mr. Hornell:

It has come to my attention that the Department of Community Development has a number of projects they are interested in having the community do a portion of the work on a self-help concept.

May I remind all concerned that State law requires that any public work or improvement of a first class city shall be done by contract pursuant to public notice, and call for competitive bids whenever the estimated costs of subject work or improvement, including the cost of materials, supplies and equipment, will exceed the sum of $10,000, and that the cost of any public work or improvement shall be the aggregate of all amounts to be paid for labor, material and equipment on one continuous or interrelated project, where work is to be performed simultaneously, or in sequence. In other words, it would be illegal to allow the community to construct a public improvement, or a part of a public improvement, when the cost of that work and materials would exceed $10,000.

Yours very truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

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Mayor Royer

P.A. Wiatrak

May 29, 79

Higher Bids

The attached memo on anticipated higher bids is forwarded for your information.

AEM:rjg

cc: M-Staff
Bob Royer
John Howell
Members, Seattle City Council
Members, Board of Public Works
Betty McFarlane
HAK

Orig Copy: Budget

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MEMORANDUM

To A. F. HARONEK

By H. A. KNIZEK Date May 29 19 79

Subject ANTICIPATED HIGH BIDS

Due to the following two factors we anticipate bids could be higher on some of the upcoming projects than originally estimated and budgeted:

1. Large number of projects to be advertised/awarded in the next two months.

2. Higher costs of petroleum products.

Eighteen of the projects to be advertised/awarded in the next two months represent over $13,000,000 in outside contractor costs. Not only is this a large volume of work, but it draws heavily upon certain classes of contractors. (Example: 7 to 9 UAB contracts involves street improvement and electrical contractors). As these contractors start to work on the earlier projects, fewer are available for bidding on later projects, hence anticipated higher bids. Also, this is the peak construction time of year and other agencies will be putting out contracts. This effect upon bid prices will probably be noticeable within a month.

The effect of increased construction cost due to spiralling petroleum costs will be noticeable in specific bid items, such as petroleum products, (asphalt, plastics, etc.) and overall project costs due to additional cost of gas for construction equipment.

Possible methods to improve bidding could be:

1. Increase working days so contractors can stagger or overlap contracts.

2. Advertise outside Seattle area, such as Everett, Tacoma, Portland, Spokane, Tri-Cities areas.

HAK

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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

May 10, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Board Meetings/Holidays

Deadline for submittal of agenda items for the May 30 meeting will be Friday, May 25, by 5:00 p.m., because Monday, May 28, is a holiday.

The Board of Public Works Rules provide that regular meetings shall be called at 9:00 a.m. on Wednesday of each week, unless said day be a legal holiday, in which event the meeting shall be held on the first business day prior thereto.

This year, July 4 is on a Wednesday; hence, the Board meeting will be on Tuesday, July 3, at 9:00 a.m.

Deadline for submittal of agenda items for the July 3 meeting will be Friday, June 29, by 5:00 p.m.

BLM/jw

cc: Bob Royer, Mayor's Office
Doug Howell/Leonard Clark/John Skommesa, Engineering
Ed Engel/Evelyn Larson, Parks
John Hansen, City Light
Bill Rashkov, Water
Al Wyemura, Seattle Center
Bob Snyder/Bill Woodward, Buildings
Roberta STandifer/Willie Winston, Human Rights

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Doug Howell
Engineering Department

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THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

May 3, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Meeting on Procedures for Routing Board of Public Works' Plans and Specifications

The Board of Public Works' Committee met on the above subject, April 26, 1979, in Room 303 at 10:00 a.m. Ed Engel, representative from the Parks and Recreation Department, chaired the meeting. Those in attendance were:

Ed Engel, Parks and Recreation Department
Rick L. Dettinger, City Light Department
J. H. Summers, City Light Department
Ray Allwine, Engineering Department
Doug Howell, Engineering Department
Jerry Dahl, Engineering Department
Don Swenson, Building Department
Bob Snyder, Building Department
Betty McFarlane, Board of Public Works

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Committee members discussed procedures each individual department has for circulating plans and specifications and obtaining necessary permits on public works improvements. APWA Standard Specifications, Section 7--1.10--Permits and Licenses, specify that the contractor shall procure all necessary permits, pay for same, and obtain all official licenses for the construction of the work... This is not followed in all cases. Some of the departments obtain the necessary permits for the contractor. The project specifications and bidding documents must be clear when this is the case.

The Parks and Recreation Department reported that there are instances when the Building permit review and approval has caused delays in contractors being directed to work. Committee members felt that such delays could be eliminated by departments applying ahead of time for required permits.

Most of the projects involved are designed by architects and they are responsible to know all permits which are necessary. They also have adequate lead time to pursue obtaining same prior to circulation of the plans and specifications, if necessary. Other departments have a section or division responsible for finding out what permits are necessary and making sure that these permits are obtained, prior to circulation of plans and specifications.

The Committee felt that on the whole, circulation of the plans and specifications was working well, however, departments should use more copies to circulate to various permit people as well as regular Board of Public Works' reviewing people. This would tighten up the time frame for review and cover all concerned at one time so there is no duplication of effort.

City Light brought up the problem of Fire Department and others sometimes holding up plans and specifications. The Committee felt that departments should write to the department head involved when plans and specifications are being held up, and to specify a deadline for response back so that timely reviews will be made. When departments send out their plans and specifications for Board circulation and review, they should state what permits are necessary and obtain all permits prior to Board approval of the plans and specifications. Departments are taking a chance if permits are not issued and the project is advertised for bid. There is a possibility of litigation and it is best to avoid the problem by obtaining the permits beforehand.

The Committee believes that with each department working closely with all concerned that the plans and specifications can be circulated in a timely manner and permits obtained prior to the advertising stage of the project.

BLM:eas

cc: Mayor Charles Royer
Casey Jones, Director, O.M.B.
Ed Engel, Parks & Recreation Dept.
Rick L. Dettinger, City Light Dept.
J. H. Summers, City Light Dept.
Ray Allwine, Engineering Dept.
Doug Howell, Engineering Dept.
Jerry Dahl, Engineering Dept.
Don Swenson, Building Dept.
Bob Snyder, Building Dept.

BOARD OF PUBLIC WORKS
Date 5-9-79
Approved
Denied
Committee of Whole
Referred
Other Information

BPW

Your City, Seattle

Executive Department-Office of Management and Budget

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MEMORANDUM

Date: May 3, 1979

To: Charles Royer, Mayor

From: Casey Jones, Budget Director C.J.

Subject: Summary of Meeting with Construction Contractors, 4/26/79

At your direction, Paul Wiatrak and I convened a meeting of construction contractors who do business with the City to try to find out how the City can be a better customer and, thus, help reduce costs of capital projects. The, included large contractors, as well as minority-owned firms. Also attending were OPP and a representative of SEED. A list of attendees is attached.

The contractors readily admit that it costs the City much more to do a given job than other jurisdictions. The primary reason is excessive City contracting requirements, mainly related to affirmative action. The contractors feel that the added requirements and paperwork associated with affirmative action cause them delays and extra work, resulting in higher bids to the City. For example, one contractor who is doing several small jobs for the City said he has to attend a pre-award meeting for every small job he does; he questioned why the City couldn't certify him on a periodic basis. The contractors also say that excessive City requirements are eliminating competition, for many contractors consider it too much trouble to bid on City jobs.

Many of the contractors wonder how the City's affirmative action goals are determined. They don't feel that the percentage goals are at all realistic, nor do they feel that they have had any input in helping establish reasonable goals. Some think that the actual goals are imposed upon us by the federal government and that we have no discretion in the numbers. Paul and I corrected their misimpression and told them that while the federal government sets some minimum goals, the City's higher goals are discretionary. But, the contractors pointed out that there are just certain jobs in the construction field that women cannot do.

Many of the contractors heard about the proposed Women and Minority Business Enterprise Ordinance, and expressed their desire to have input on it. One of the often-cited indications of the WMBE Ordinance's work-ability is that METRO uses some of the same procedures. However, the contractors said that only about two major contractors (Coluccio and Pamco) actually bid on METRO jobs.

Other gripes of the contractors include the following:

-- The City is slow to pay on monthly invoices and retainage. We explained that there were some initial problems in invoice payments associated with the new Central Financial Management System, but that the Comptroller, who is the separately elected official responsible for payment, has indicated that the invoice problem has been eliminated. With respect to retainage, that appears to be a problem connected with State agency sign-off on certain legal requirements (e.g., industrial insurance and unemployment). (The Contracting Study indicates average delay of 147 days for the 15 projects examined.)

-- The City is very slow itself to bill for services it provides to general contractors. (For example, backfilling and pavement inspections.) Paul Wiatrak indicated that the City is moving to a unit cost basis for charging these services, instead of a time and materials approach.

-- Sometimes the City sends the wrong inspectors out on a job. This ends up causing delays and sometimes the wrong direction being given by the City.

-- WISHA items sometimes require additional costs.

-- Some differences in design, such as the Fifth Avenue sidewalks, cause added expense.

-- The City should be more flexible regarding the number of lanes that must be open on a construction job. Perhaps the City is not examining the trade-offs on this closely enough.

-- The new filling and grading ordinance may also be adding to costs.

-- The City's estimators are way off and need to do a better job of projecting construction project costs.

-- Things the City has no control over that are big cost items are the contractor's expenses for manpower and equipment, which are going way up.

The contractors wanted to know why the Rights Agencies were not at this meeting. We explained that it was an oversight on our part. The contractors also felt that they ought to be talking directly to you in order to come up with solutions to some of these problems. The contractors stated that we need to have everyone in the same room trying to solve this problem in a "community way."

Paul and I told the contractors we would try to summarize the results of the meeting for you and discuss with you the possibility of you meeting with them in the near future. They also expressed a lot of interest in the Minority

Business Enterprise Ordinance. I started to tell them they would have an opportunity to review and comment on that ordinance before it went to the Council, but decided not to do that, pending your decisions on timing of the submittal.

CJ:gv
Attachment

cc: Paul Wiatrak
Bob Royer
Dick Kelley
Shelly Yapp
Joe Recchi
Walter Hundley
William Justen
Ken Lowthian
Betty McFarlane
Susan Lane
Vivian Caver
Robin Pasquarella

BOARD OF PUBLIC WORKS 1979 LTRS #3

Contractors Meeting 4/26/79

NAME	FIRM
Joseph M. Andresini	OMB
Bob Burfitt	Burfitt Construction Company Associated General Contractors
Charles Bordner	Sun-Up Construction Company, Inc.
Charles B. Wayne	J. R. Concrete Works
Gary E. Klokstad	Klokstad Concrete Construction
Charles E. Kessler	West Coast Electric Company
Frank Coluccio	Frank Coluccio Construction Company
Raynine Mitchell Vincent Mitchell	V & M Contracting
Betty McFarlane	Board of Public Works
Geoff Spelman	SEED
Phil Sedlecels	Deeny Construction
Joann Ritchie	OPP
Casey Jones	OMB
Paul Wiatrak	SED
Doug Nelson	West Coast Construction
Jack Arango	Arango Construction
Don Merlino	Gary Merlino Construction Company
W. K. Jones	Constructors - PAMCO

BRW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

April 12, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Public Works Plans and Specification Reviews

Please submit names of your plan checkers who will be able to meet and discuss ways of improving procedures to assure timely review of public improvement plans and specifications.

Some plans and specs are being routed twice for permit reviews, etc., or are being routed to agencies not affected. The Board is interested in this committee's coming up with a recommendation which would cut plan review time, and assure final approvals before advertising and bid opening period.

Ed Engel, Parks and Recreation Department, will chair the meeting to be held April 26, at 10:00 a.m., in Room 303 Seattle Municipal Building.

BLM/jw

cc: Ed Engel, Parks Department

ROUTING	DATE	INITIAL
ACTION		
AEM/DJH	✓	
FILE		
INFORMATION		
PAW		
M Staff		

SEATTLE ENG DEPT
APR 13 10 19 AM '79

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

April 9, 1979

To: William J. Justen, Superintendent of Buildings

From: Betty L. McFarlane, Executive Secretary BLM

Re: Circulation Review of Plans and Specifications

We are certain this is an isolated case, but one of the Board of Public Works Departments has indicated that your department is holding up a public works improvement due to a late review of Plans and Specifications after bids have been opened. This will delay award and construction start time about 30 days and could create more cost to the project.

The Board previously directed that all departmental reviews are to be made at circulation of Plans and Specifications stage, prior to advertising project; no cursory reviews.

We know you will understand the Board's concern and that in the future review and approval of Plans and Specifications are to be final when the circulation sheet is signed and forwarded to the Board of Public Works for action.

BLM:jrn

cc: Bob Snyder, Buildings
D. Swenson, Buildings
All Board of Public Works Members

ROUTING	DATE	INITIAL
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AEM/DJH		

SEATTLE ENG DEPT
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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

March 26, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Updates of Federal and State Prevailing Wage Listings

Attached are updates of both Federal and State Prevailing Wage Rates to be incorporated into all public works contracts, immediately.

BLM:jrn

cc: Doug Howell, Engineering
Ed Engel/Evelyn Larson, Parks
Al Wyemura, Seattle Center
Robert L. Snyder, Buildings
John Hansen, City Light
William Rashkov, Water

Att.

SEATTLE ENG DEPT
3/29 hwk
MAR 28 7 33 AM '79

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PAW		
AEM/DJH		has attach
LFC		

BPW
3/23.

Dir. of Engineering

March 22, 1979

Lauraine Brekke
Executive Director
City Council

Casey Jones
Budget Director
Office of Management and Budget

Re: City Procurement Contracting

Thank you for the opportunity to review the report on city procurement contracting. Certainly a great deal of effort and thought by a lot of people has gone into this paper. The report will stand as a credit to those who participated in its preparation.

Although you've asked me to confine my response to (1) errors of fact and (2) differences in interpretation, I have some philosophical differences which I feel that I must express and I will burden you with some of my thoughts on the report's recommendations.

First, on page 1, paragraph 1, under Introduction, The inference of the paragraph is that all city departments are filled with corruption and mismanagement; this is inappropriate. Second, I believe the words "major blunders" and "graft" are so strong as to provoke unnecessary responses from some of the people involved. I suggest the language be modified to avoid such possibility.

On Vol. I, page 7, item 5, indicates the Hearing Examiner will be responsible for handling contractual disputes. This requirement could become time consuming and unmanageable, especially in a case where there is an argument regarding the responsiveness of the bid which has been submitted for opening. A similar kind of problem could occur during the progress of the contract where any delay in the resolution of a disputed issue could result in a delay of the contract. Substantial cost could accrue to either the contractor or the city because of the delay. These kinds of disputes need to be handled expeditiously and that can best be accomplished by the Department Head. In the case of disputes which remain after the department head's decision and action, I am of the opinion that an

"arbitration board" should be established within the Engineering Department or made up of representatives from other departments as appropriate to handle these kinds of disputes, hopefully bringing them to equitable resolution before they go to court or to the City's Hearing Examiner. The responsibility of the arbitration board, court, or hearing examiner would be to determine if there were compensable damages resulting from the department head's action or other indicated corrective action.

On Vol. I, page 9(g), it is required that contracts be rotated among consultants. We feel that there is a definite benefit to retaining particular consultants over a period of several years for particular tasks because of the expertise that they gain in prior years work. For instance, we have a cathodic protection program on the Alaskan Way Seawall. This requires the review and modification on an annual basis. We hire the consultant each year to perform the annual service because it would be costly for the other consultant to get up to speed on the system before he could perform the annual service requirement. We have changed consultants only once during the life of this installation. This is also true with auditing of utilities, etc. where the prior knowledge of the consultant enables him to accomplish a simple auditing task with little effort. We believe that auditing firms should be retained at least four or five years before changing to another auditor principally as a cost deterrent factor. I recommend the term "where practical" be inserted between the words shall and be. I question the term in the report "equally qualified." Consultants are not equally qualified, however, several may be minimally qualified with each exceeding the minimum qualifications by a different amount. Under item (h) on that same page, the term "bidders" should be deleted and the term "consultants who participated in the selection process" should be substituted.

Vol. I, page 9, item 8, relates to qualifications of contractors. I believe the term "straightforward project" is not subject to definition. In addition, there is no project for which all contractors are qualified. An electrical contractor may not be qualified for paving work and vice versa. It would be a rare contractor that is so diversified that he can handle any kind of the public works contracts. The whole subject of pre-

qualification needs further discussion. The pre-qualification automatically supplied to the City in the past through the performance bond has been satisfactory for most Engineering Department projects. In some instances, such as our downtown sewer project which required tunneling, the department had made a decision to pre-qualify contractors for bidding on that sensitive project. I recommend that a blanket requirement for pre-qualification be eliminated and that Department heads be given the prerogative to determine whether to pre-qualify before allowing a contractor to bid on an individual project basis.

On Vol. I, page 11, item 2, "Public Improvements" relates to bid opening by "staff." I recommend that for clarification, the term staff be revised to be contract administration staff of the Department of Contracting. However, I seriously question the delegation of this sensitive responsibility to a lower level. It is important that this activity which deals with so many millions of dollars be as formal and as visible as practical. The City's past practice has given the contractors and citizens of the City of Seattle confidence in the integrity of city contracting procedures. Any action which tends to hide or de-emphasize this activity will be subject to criticism.

Vol. I, page 13 and 14 deals with competitive, sealed proposals. I am extremely concerned of any process which allows negotiation of contract price prior to award of contract. Regardless of the size of the contract, I believe that bids should be publicly opened and read. I believe the process which allows changing proposals as discussed under Items 5-c on page 14 opens the door for all kinds of problems. Regardless of how honest the department head may be, how could he avoid the charge of impropriety and the suspicion of graft and kickback, etc. In addition, I see no need for this concept of sealed proposals as compared with sealed bids. If we are procuring a public works contractor, when would it not be practical and advantageous to use the system of competitive sealed bidding? I recommend that the concept of the sealed proposals completely dropped from the City of Seattle procedures.

On Vol. I, page 13, under item 2-b, the proposed regulation calls for filing deadlines of bids to be at least 10 days after the last day of advertising. In the past on most projects, we had used a 10-day period between first advertisement and bid opening. This has proved satisfactory for a great majority of

the projects. The projects are similar and well understood by the contractors and we have had no significant complaints. In a few cases in response to the contractors or because of the recognition by the department head of an obvious need, we have extended the period from first advertisement to opening of bids from the normal ten days to 3 to 5 weeks. We recommend that this practice be continued with the advertising time being the prerogative of the department head; also, when the choice is for a single day of advertising, the same day of the week should be used.
On Vol. I, page 13, Item 2-c requires that bids be publicly displayed. We ask clarification on how, when and where.

We question the requirement on Vol. I, page 16-29 of notifying bidders on public works projects whether or not they were successful in winning the award. It is common practice to notify the winning bidder with much formality, however, those bidders who were not selected are able to determine that fact by reading the Journal of Commerce report or by being present at the bid opening. We have not experienced a significant problem with this process in the past and question the need for the extra paperwork involved in such notification.

Vol. II, page 108-6.6 indicates that the Comptroller shall modify the payment to the consultant based on his evaluation of the consultant's performance. First, such delegation of responsibility and authority to the comptroller would dillute the department head's responsibility for administering consultant contracts which is well spelled out on page 104-4.2. I see no way that the comptroller can make a decision on how much the consultant should be paid without a report from the user department stating what part of the contract was not completed. Even if the consultant did not perform as well as someone else might have done, I question the comptroller's legal authority to pay less than 100% of the contract amount if in fact the consultant has completed the work. The consultant can be paid less than the contract amount under certain circumstances; for instance, if he failed to complete his contract and the city had to spend its own money to complete it, or he made errors which subsequently cost the city money because of change orders on the construction contract. There no doubt are other reasons but I believe that a consultant's amount of compensation cannot be related to superior, mediocre or poor performance. There must be specific legal reasons for withholding money and those specific reasons can only be developed by the project manager and the department head. I recommend that this process be eliminated from the proposed procedures in favor of payment control by the department.

Vol. I, page 10, item 11-a. I suggest that compliance monitoring by the Office of Womens Rights be combined with that of the Office of Human Resources using additional personnel, if necessary. I feel it is important that a single rather than dual contract be made with contractors for this report. Contractors are busy people and they would object to having to respond to two people on a request for similar kinds of information.

Vol. I, page 10, item 11-d requires penalty of 1% of the contract price per day for not complying with affirmative action requirements. This could be as much as $20,000 on a $2 million contract. This appears high and may be legally nonenforceable. The plan should be checked with the Law Department. In addition, the requirement that the contractor be denied the opportunity to bid on city work for one year seems excessively restrictive. Currently, if contractor breaches his contract, and the city chooses to sever contractual relations, then the contractor is prohibited from bidding for a two-year period. It appears that if non-compliance on the part of a contractor is serious enough infraction and if the infraction continues, a better solution would be to sever the contractual relationship. Let that be the ultimate penalty with perhaps some lesser fine for infraction for non-compliance for a few days. Normally, a contractor would make every effort to get back in compliance. A fine of considerably less than 1% of the contract amount per day should be sufficient to get the contractor's attention.

I believe a single day of advertising of a public works contract as suggested by item 2-b on Vol. I, page 13-26, is a mistake. Our problem is not the minor cost of paying for an advertisement; our problem is getting sufficient number of contractors bidding to assure competition. Even with the current five days of advertising, contractors complain they occasionally miss the advertisement in the paper because they are out of town or have a busy work schedule.

I recommend that five days be the suggested time for advertisement and that the department heads be allowed prerogative of choosing the proper advertising time based on their knowledge of the project and the contractors that might respond. In addition, the ten-day delay between the last day of advertising and the opening of bids is overly restrictive and usually unnecessary. Ten days is equivalent to 1/26th of the year's inflation. (approaching 1/2%).

Vol.II, page 6 (principal 5) relates to contractor prequalifications relative to affirmative action as being a current city policy. I believe the present situation on city contracts for public works is contractor qualifications after he has been identified as the successful bidder rather than a pre-qualification situation. However, I understand that purchasing agent contractors are pre-qualified.

Vol. II, page 23, 2nd paragraph requires the comptroller to receive copies of all change orders and verify that the contract totals are not exceeded before making the disbursement. This regulation will prove to be ineffective in that contract totals can be exceeded by various other reasons; for instance, inspection costs could overrun or more importantly, the quantities are normally not the same as that included in the contract estimate and probably overrun as often as they underrun. The comptroller's efforts would be wasted unless he also had access to this information as well as a means of predicting what is going to happen down the pike, with respect to that particular contract. It is absolutely mandatory that the responsibility remain with the department head and his project managers and their fiscal monitoring system.

Vol. II, page 32, last paragraph, states that only the Lighting Department has the written procedure for inspectors' review of contractors performance. The Engineering Department also has a published "construction manual" which is a written procedure for inspectors' review of contractors' performance.

Vol. II, page 36, last two paragraphs. The section indicates the need to provide control on variance of quantities from the estimated amount on public work contracts. Currently, the APWA specifications used by the city includes a provision under Division 1, Section 4-1.03 entitled "Increases or Decrease of Work" which responds to the recommendation by providing limits beyond which renegotiation of unit prices must occur.

Vol. II, page 89, first paragraph under principal 1. A question; what is meant by non-competitive negotiations.

Vol. II, page 91, last paragraph. Comment: The Engineering Department also includes citizens on consultant selection boards.

Vol. II, page 99, paragraph 3. Also, general guidelines beginning on page 110. These pages relate to the detailed process of consultant selection.

There is a substantial philosophical difference between your concept of the consultant selection process and a system which I have been using in the past. It has been increasingly clear while reading the material presented that you would expect user agencies to furnish a "request for proposal" to a number of consultants on each project. Each consultant expecting to continue in the competition would be expected to furnish a detailed report including a pricing schedule relating to how he would accomplish the work laid out in the project scope. Your process presumes that the user agency would end up with a proposal from several consultants including their price schedules and that price schedule along with several other attributes of the consulting firm would be considered in determining which consultant would be awarded the contract.

Developing a response to a request for proposal on an engineering/architectural piece of work is a very costly process. It requires a good number of manhours and attention from high level people in the consulting firm. Our experience indicates that consultants would not be willing to compete through this sort of a process unless each of them were compensated for their efforts preparing such a detailed proposal.

It is recognized that bidders on public works contracts each prepare a scheme and an estimate for performing a public works job; however, there is a significant difference between preparing a proposal for an expert and consultant services project and a public works contract. Before a public works project is advertised, the job is laid out in much detail with individual quantities listed either as part of the plans in the case of lump sum contracts or as part of bid documents for unit price contracts. Contractors bidding such a job have a rather simple task of assigning well known unit prices to the elements of the project. In the case of the expert consultant services, the scope of work for an expert and consulting services contract is not laid out in the same detail. There are no units of measurements developed and it is necessary for experts to relate the elements of work in the scope of services to the manpower effort required to produce those services based much on the individual firms system of working and capability within the personnel of the firm.

As an alternative to the process suggested in your paper, I recommend that consultants be furnished only the most abbreviated scope of work and be requested to express interest in the projects. Three to six consultants would be invited for interview and considered based on factors such as their past experiences on similar projects, their capability as evidenced by the qualifications of the persons in the firm that would be assigned to the

project, the kind of expertise represented by the firm in its personnel, the firm's current work load, completion of the project. Information on their basic pricing structure such as hourly rates and overhead would not be inappropriate at this juncture. I further recommend that a tentative selection be made from this evaluation and that fingle firm be furnished a request for a proposal and a scope of work. In the usual process, it is necessary to meet with the consultant to discuss the scope of work and assure his understanding of the requirements. Normally, there is some modification of the scope of work during this process resulting from a better understanding of the scope of work by both the city agency and the consultant as well as because of the unique method of producing expert and consulting services by different consultant. After the scope of work has been agreed upon, then the consultant prepares his cost estimate of accomplishing the work. This cost estimate should then be compared with the cost estimate as prepared by the user agency and negotiation should continue to bring those two cost estimates into agreement. If agreement cannot be reached, then user agency should go to the second rated consultant. In your suggested process where several consultants prepare proposals on the same job, the cost of the preparation of those proposals are paid by user agencies whether it is paid directly or indirectly. Even if the city refuses to pay directly for this service, the consultants would have to include this cost in their corporate overhead and the user agencies end up paying for the cost of the several estimates prepared in that or subsequent contracts. Unless the consultant's cost structure is drastically out of line, such information should be given very little emphasis. If the city gets into the business of selecting the low bidder for expert and consultant services, the city is going to get what it is paying for. There is no such thing as a free lunch.

Vol. II, page 101, last paragraph. The discussion on the code of ethics is not clear. The department engaged the design consultant as a contractor or as an employee? If as an employee, did the employee continue to work for both the city and the consulting firm which designed the project? The statement is subject to misinterpretation as written. It should be clarified.

The recommendations on page 102 conflict with the verbiage on page 99, third paragraph. Page 99 indicates that all selection will be handled in a specific manner except there are 3 rules under which it could differ. Any exceptions must be approved by the Board of Public Works and contracting. Page 102 recommendations would indicate that these selection rules apply

only if the project exceeds $25,000. Page 105 (4.3), page 106(4.7) also are in conflict. I strongly recommend that the verbiage contained in the 3rd paragraph of page 99 should apply uniformly so that any deviation from the process is truly an exception and receives a rigorous review before exceptions are implemented.

On Vol. II, page 104-4.1 also on page 110 (step 1) I believe the term "objectivity" is a poor choice of words and I suggest "skills and abilities" as a satisfactory substitute.

The definition on page 2-106-(5.1) is not a good definition. I suggest the following modifications; on line 10 change the "technical and professional" to read "expert or consultant." In addition, eliminate the entire second paragraph.

Page 2-107-(6.3) requires contacting all of the listed consultants in the master file. This would be time consuming and burdensome because the list is large. I recommend that a proper distribution of work be accomplished by a process of random selection and rotation where by 3 to 6 consultants could be contacted for each project.

If the Board of Public Works and contracting is going to advertise for services once a year as required on page 107-6, on page 2-107-6.3, why should the department duplicate that advertisement as is required on page 2-108-6.4. One fire drill for consultants per project is enough.

Page 2-110 (step 2). It is not advisable to name the project manager in the consultant contract. He may leave city employ or if he fails to perform properly, he may be replaced as the project manager.

Ordinance 101432 recognizes the need to except contracts for expert and consultant services in connection with anticipated or pending litigation, such as expert witnesses from control of the equal opportunity ordinance. This, because the attorney representing the city needs to have an unobstructed opportunity to choose a unique individual to provide a special service to the city. I strongly recommend the proposed procurement process also recognize this need.

Volume I, page 12, item 5 under "Public Improvements" and page 15, Vol. I, item 13 relate to standard (Master) plans and

specifications being maintained by the Engineering Department. I assume your objective is to provide the public and the several city contracting agencies with a central location for repetitive type information and records needed for preparing plans and specifications for public works projects. If standards are used to the greatest degree practical in all city contracts, contractors bidding city work will find contract elements with which they are familiar and can be expected to provide better bids on city work. I agree that the Engineering Department is the proper location to house standards because of the diverse types of contracts we routinely produce, contracts for landscaping, streets, sewers, waterworks, lighting, signals, structures, etc. It is especially important that the plans be maintained current by transferring "as built" information from each contract plan to a Master Plan which displays all installations in the public street right of way. Some departments develop contracts for work outside of the public right of way which is unique to the department's operations and are not a proper part of a city Master Plan. Examples are transmission lines on exclusive right of way or a field house totally within a park. A separation of those records kept in other departments and those records kept in a Master File could be established by rules of the Board of Public Works and Contracting. I recommend item 5 under "Public Improvements" on page 12, Vol. I be modified by adding the word "specifications," the phrase "and records for work in the public street right of way." A similar addition is appropriate on page 15.

I apologize for my disjointed response, however, I trust it will be of benefit to you in subsequent revisions. I will be ready to meet with you at your convenience to discuss these recommendations; I look forward to the opportunity to review the discussion draft in April.

Very truly yours,

Sgd Paul A. Wiatrak

PAUL A. WIATRAK, P.E.
Director of Engineering

PMB:lht

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Re: Special Proj. for Mayor

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 3/19/79
(date)

Casey Jones, Dir. Office
(referred to)
Management & Budget

Klm
(referred by)

____Please prepare reply for the Executive Secretary's signature on office stationery.

____Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____Forwarded for your investigation, report, and recommendation.

X ____Forwarded for your information and files.

____Other: BPW mtg. Room 304
10:45 a.m.
March 21, 1979
to discuss attached.
If you can not make it,
please advise by phone.

ROUTING	DATE	INITIAL
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	✓	
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(PAW)		DTH

*Action requested no later than _____
(date)

cc:
BPW Members & Mayor

MAR 20 7 42 AM '79
SEATTLE ENG DEPT

Your City, Seattle

Executive Department-Office of Management and Budget

RECEIVED
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SECR. TARY
BOARD OF PUBLIC WORKS

MEMORANDUM

Date: March 16, 1979

To: W. Hundley, P. Wiatrak, J. Feary, J. Recchi, W. Justen, and K. Lowthian
Attn: Betty McFarlane

From: Casey Jones

Subject: Special Project for Mayor

The Mayor requested I seek your help in getting together with a group of construction contractors who do business with the City to discuss ways the City can be a better customer and thus, hopefully, help reduce rising construction costs.

When time allows, at the earliest possible meeting of the Board of Public Works, I'd like to get your ideas on how we might approach this task. Please let Beverly Yapp of my office (2551) know when we could schedule this.

CJ:jk

cc: Barnes
Williams
Andresini

Scheduled BPW mtg 10:45 3/21/79 to discuss above.
BPW

BPWR

Seattle City Council

March 15, 1979

John Miller
President of the Council
625-2451

George E. Benson
Chairman
Parks & Community
Services Committee
625-2441

Michael Hildt
Chairman
Urban Development &
Housing Committee
625-2443

Tim Hill
Chairman
Finance Committee
625-2438

Paul Kraabel
Chairman
Water & Waste
Management Committee
625-2447

Randy Revelle
Chairman
Energy Committee
625-2445

Norman B. Rice
Chairman
Personnel & Property
Management Committee
625-2436

Sam Smith
Chairman
Public Safety &
Justice Committee
625-2455

Jeanette Williams
Chairman
Transportation
Committee
625-2453

Paul Wiatrak
Engineering Department
City of Seattle

Dear Mr. Wiatrak: Paul

Enclosed is the joint City Council staff - Office of Management and Budget report on City procurement contracting. We request your review and comment on the report by March 23.

Because of the far-reaching implications of our recommendations and because of the interest expressed by individuals and organizations outside the City, we plan to issue the report as a discussion draft to all interested parties on April 2. This will allow us to hold public hearings and to receive comments from all interested parties before issuing a final report by the end of April.

However, because the findings, conclusions, and recommendations of this report affect your organizations directly, we would appreciate your preliminary comments before the report is released on April 2. We recognize that despite efforts to eliminate errors of fact, we probably have made mistakes. Also, we recognize that differences of interpretation will naturally exist. Your comments will be most helpful to us if organized into these categories: (1) errors of fact and (2) differences in interpretation. Comments must be received by March 23 to assure adequate consideration before the April 2 discussion draft is released. We apologize for the short turnaround time on this first "preview" draft; if you prefer to meet with us to discuss the report rather than putting your comments in writing, we will be available. You will, of course, have an additional opportunity to comment in April.

We wish to thank all of those who have assisted us in this study. Without the assistance of dedicated and conscientious departmental personnel, our efforts would be in vain.

Sincerely,

Lauraine Brekke

LAURAINE BREKKE
Executive Director
City Council

Casey Jones

CASEY JONES
Budget Director
OMB

LB/CJ/kg

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INFORMATION		
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ENVIRMG		
HEMD - #		

SEATTLE ENG DEPT
MAR 7 4 AM '79

An equal employment opportunity - affirmative action employer.

DISCUSSION DRAFT

CITY OF SEATTLE

CITY PROCUREMENT CONTRACTING
SUMMARY OF ISSUES AND RECOMMENDATIONS
VOLUME 1 - SUMMARY

APRIL, 1979

Joint Report to the Mayor and
City Council

By:

City Council Staff

Executive Director, Lauraine Brekke

Director Legislative Audits, Shirley Kolm

Analyst, Christa Little

Analyst, David Offner

Office of Management and Budget

Budget Director, Casey Jones

Analyst, Royal Alley-Barnes

Analyst, Thomas Stromberg

Analyst, Steve Williams

DISCUSSION DRAFT

City Procurement Contracting

Summary of Findings and Recommendations

Introduction

The City's contracting history has been blemished by some major blunders -- the West Seattle Bridge design, the Integrated Financial System, and Facilities Management for data processing have evoked charges of favoritism, graft, and just plain bad contract administration. In September 1978, the Municipal League issued a report warning City officials that consultant selection procedures were chaotic.

The Mayor and the City Council recognized that over time the City had adopted a variety of contracting laws, procedures and policies representing whatever was acceptable and/or expedient at the time. As a result, the City's contracting laws and policies do not reflect a comprehensive approach to this very important activity.

In partial response, the City proposed and the citizens approved City Charter Amendment #1, in November 1977, allowing the creation, consolidation, and reorganization of the Board of Public Works (BPW) by ordinance. The amendment stated the primary purpose of BPW as "...ensuring that all contracts for public works projects awarded by the City are developed and carried out in a manner consistent with City, state and federal laws."

The Mayor and City Council then authorized their staffs to conduct a joint study of contracting to determine whether the problems associated with major contracting fiascos such as the Integrated Financial System were isolated instances or were reflective of a systematic problem.

Our review shows that previous contracting problems can reoccur and that a major overhaul of City contracting is necessary. This report presents a summary of the key findings and recommendations of the joint Council-Executive review of City procurement contracting. A detailed description of our review, findings and recommendations is published in a separate report, "City Procurement Contracting: Discussion of Legislation, Policies, and Practices, Volume 2." In addition, a report on the Seattle Design Commission, authored by the City Council staff, is available under separate cover.

Study Description

In May 1978, staff of the City Council and the Office of Management and Budget began studying City contracting in three major areas: (1) public improvements, (2) supplies, material, and equipment, and (3) services. The study did not include contracts for concessions, leases, grants, inter-local agreements, and other contracts of a specialized nature, e.g., power management and Arts Commission contracts.

The study team adopted a working premise that the best contracting process is one in which all involved parties -- City officials, contractors, and the public -- have confidence. For example, City officials will have confidence in the process when it is responsive and efficient, allowing officials to fulfill public service needs without unnecessary delay and cost. Contractors will have confidence in the process when they are sure that contract awards are made on a fair, impartial basis. The public will be confident when the process is conducted openly, with all aspects of the process available for public scrutiny, and when goods and services of desired quality are procured at reasonable cost.

The study team agreed on five contracting principles to provide a normative framework for our review: (1) Impartiality, (2) Responsibility and Accountability, (3) Competence, (4)

Efficiency and Effectiveness, and (5) Social and Economic. The five principles provided the conceptual basis used to assess the legislation, policies, procedures, and practices of City contracting activity. (A detailed definition of these principles can be found in Volume II of our report.)

Summary of Findings and Recommendations

Certain findings and recommendations apply to all three contracting areas. Others apply only to one contract type. Each conclusion and recommendation is discussed in detail in Volume II of our report.

1. We recommend reconstituting the Board of Public Works into a Board of Public Works and Contracting responsible for developing rules governing public improvement contracts as well as contracts for supplies, material, equipment and all services. The authority and responsibility for awarding and administering public improvement and consulting service contracts should be given to department heads, who should be held accountable through a strong audit function by the Board for following established rules and procedures. As required by Charter and by ordinance, the Purchasing Agent should continue to be responsible for procuring supplies, material, equipment, and non-consulting services, but should delegate more authority to departments in specialized areas.

Our study shows that in many procurement areas, especially services, there is little clear policy on how City contracting should be carried out. Consistently, we found a need for uniform and comprehensive rules and regulations. For example:

- We found services contracts for significant dollar amounts (in one case, more than $250,000) that had a poorly defined statement of what the City was to receive. In some cases there was no scope of work and in limited instances the City made substantial payments without a written contract.

- We found that buyers in the Purchasing Division accepted formal bids after the bid deadline, if the vendor quoted the bid over the telephone before the bid deadline. We believe this practice jeopardizes the formal competitive sealed bidding practices established for the Purchasing Division.

- We found that the Board of Public Works has a "suggested" standard contract form for architectural and engineering contracts; however none of the departmental personnel interviewed were aware of the suggested form.

- We found that the Board of Public Works has issued rules and regulations for public improvement contracts but has not addressed important areas such as change orders even though the City experiences a higher average change order per contract (6) than do other jurisdictions (1-2).

More importantly, our study shows that there has been almost no review or monitoring to ensure that established rules are followed. For example:

- Board of Public Works rules and regulations require advertising for all architectural and engineering consultants; however 36% of the contracts reviewed were not advertised and there was no justification for not complying with the advertising requirement.

- In some cases, service contract dollar amounts were increased without producing a written increase in the contract's scope of work. The City Attorney

advises that granting increases in the amount of contracted compensation allowed a consultant without a corresponding increase in the contracted scope of work may be a violation of the State Constitution.

- Although Ordinance 102151 makes the Purchasing Agent responsible for assuring that bid specifications are not unduly restrictive and avoiding the use of brand names when possible, we found that 33% of the purchase orders reviewed called for brand name products. In addition, the justidication for selecting a brand name was often weak. Buyers are not exercising their authority and are acceding to departmental demands for specific brand name merchandise if the department is persistent.

- Review and approval steps in place are largely perfunctory. For example, Ordinance 102151 requires that a scope of work for all consulting contracts be filed with the Purchasing Agent. This would allow the Purchasing Agent to review the scope of work before a contract is signed and determine if the work is genuinely "expert and consultant" or if the services are more routine in nature and could be competitively bid. In practice, however, the Purchasing Agent literally interprets the law and simply maintains a file of all contracts submitted without review.

We believe centralizing rule-making and auditing is crucial to a successful contracting function. Our recommendation is supported by the American Bar Association which recently endorsed a model procurement code for state and local governments. A major objective of the model code is centralizing responsibility for setting procurement policy and separating the policy and operating functions of procurement.

Our recommendation is compatible with a management philosophy which makes department heads ultimately responsible and accountable for their actions. Department heads would continue to be responsible for awarding and administering service contracts and would assume new responsibility for awarding and administering public improvement contracts. This is not a substantial change from what is now done because we found that despite the appearance of a centralized contracting authority resident in the Board of Public Works, departments are responsible for all substantive public improvement contracting activities. The major change resulting from our recommendation is that department heads would be required to follow the rules and regulations established by the Board of Public Works and Contracting and would be subject to audit to ensure that those rules are followed.

We believe that equipment, material, supplies, and non-professional services should continue to be procured by the Purchasing Agent. However, the Purchasing Agent should delegate to department heads the authority to procure specialized, unique items, so long as the benefits and efficiencies of volume purchasing and the integrity of the procurement function are not compromised. (The City Charter requires that equipment, material, and supplies be procured by the Purchasing Agent; Ordinance 102151 gives him authority over service contracts except expert and consultant services.)

Giving department heads the responsibility for awarding and administering contracts differs from the ABA's model code which recommends centralization of responsibility for the operating functions. While we used the ABA code as a guide, we do not believe that circumstances in Seattle warrant complete centralization. City departments have developed technical experience in different areas; City Light is well-versed in power system work, the Parks Department in landscaping, and the Engineering Department in street construction requirements. This specialization reflects the basic functions of each department. We believe this specialization is valuable and should not be duplicated nor

diluted through centralizing operations. Moreover, establishing clear lines of managerial accountability, we feel, is in keeping with the major thrust of the Charter amendment.

In addition. centralized responsibility for rule-making and monitoring, and continued centralized procurement of supplies, material and equipment should give the City the benefits of centralization: (1) the ability to ensure the integrity and effectiveness of the program; and (2) cost savings through aggregated procurement of standard, high-volume items.

Our recommendation assumes that the current Board of Public Works will be dissolved. Charter responsibilities of the Board of Public Works will be transferred to the Board of Public Works and Contracting. However, currently the Board of Public Works performs activities unrelated to contracting such as managing and approving permits for street use, utilities and franchises, waterways, and traffic control. We recommend that these activities be transferred to the Engineering Department.

2. We recommend that the membership of the Board of Public Works and Contracting consist of the Budget Director, the Director of the Office of Policy Planning, and three department heads to be designated by the Mayor and confirmed by the City Council.

In part, this recommendation is based on City Charter requirements. The Charter makes the Board of Public Works responsible for ensuring that public improvements contracts are carried out in accordance with state, local, and federal laws and requires that Board membership consist of no less than three City department heads.

We found that the Board of Public Works has not taken an active role in independently reviewing and monitoring public improvement contracting activities. The general reaction of departmental personnel is that the Board is a "rubber stamp." We believe, in part, the Board has not exercised its authority in this area because the members of the Board are also the heads of the major contracting departments. These department heads, for understandable reasons, prefer to maintain autonomy and flexibility. We believe a conflict of interest results when major contracting departments are also responsible for contracting rule-making and monitoring.

We recommend that the Budget Director and the Director of the Office of Policy Planning (OPP) sit on the Board to provide a more balanced, objective point-of-view. In addition, the Budget Director's responsibility for budget development and the OPP Director's responsibility for capital improvement program development are compatible with Board duties.

However, the Budget Director and the OPP Director are not legally considered to be department heads and therefore do not meet the Charter requirement that Board membership consist of no less than three department heads. We recommend that the Mayor appoint (subject to City Council confirmation) three department heads to serve on the Board of Public Works and Contracting.

Members of the Board should not have specified terms of office. The Budget Director and OPP Director would be permanent members. We believe terms of office are not necessary because the Board of Public Works and Contracting will not be responsible for awarding contracts and the implied autonomy resulting from sepcified terms is not necessary.

3. We recommend a Rules and Audits section be created and report to the Board of Public Works and Contracting. Centralized contract administration

functions currently performed by the Board of Public Works staff would be absorbed in the Department of Contracting. The Purchasing Division would be relocated in the new department and report to the department head.

Chart I shows the general organization and functions of the reconstituted Board of Public Works and Contracting and the Department of Contracting. The Department of Contracting would absorb central contract administration function currently performed by Board of Public Works staff.

Currently, the Purchasing Division is part of the Executive Department and reports to the Mayor. While this organizational location should assure sufficient authority for Purchasing to interrelate effectively with other departments, we found that the Purchasing Division does not exercise its authority to require departments to change unnecessarily restrictive specifications. Buyers in the Purchasing Division believe that if they are too tough friction and ill feelings between the department and Purchasing will develop. They believe minimizing this friction is important. We believe this reorganization may enhance the visability of the Purchasing Division and allow greater autonomy.

In addition, we found that the Purchasing Agent has instituted internal operational procedures but has not instituted any systematic way to determine whether buyers adhere to the established procedures. An example is emergency purchase orders which we believe are too easily granted. While emergency purchase orders comprise a small dollar amount of purchasing procurement (1.9%) they represent 23% of all contracts issued. We found that several of the items ordered by departments did not appear to require emergency purchases. One particular order by the Parks Department was for $2,653 of common custodial supplies, available on a term contract.

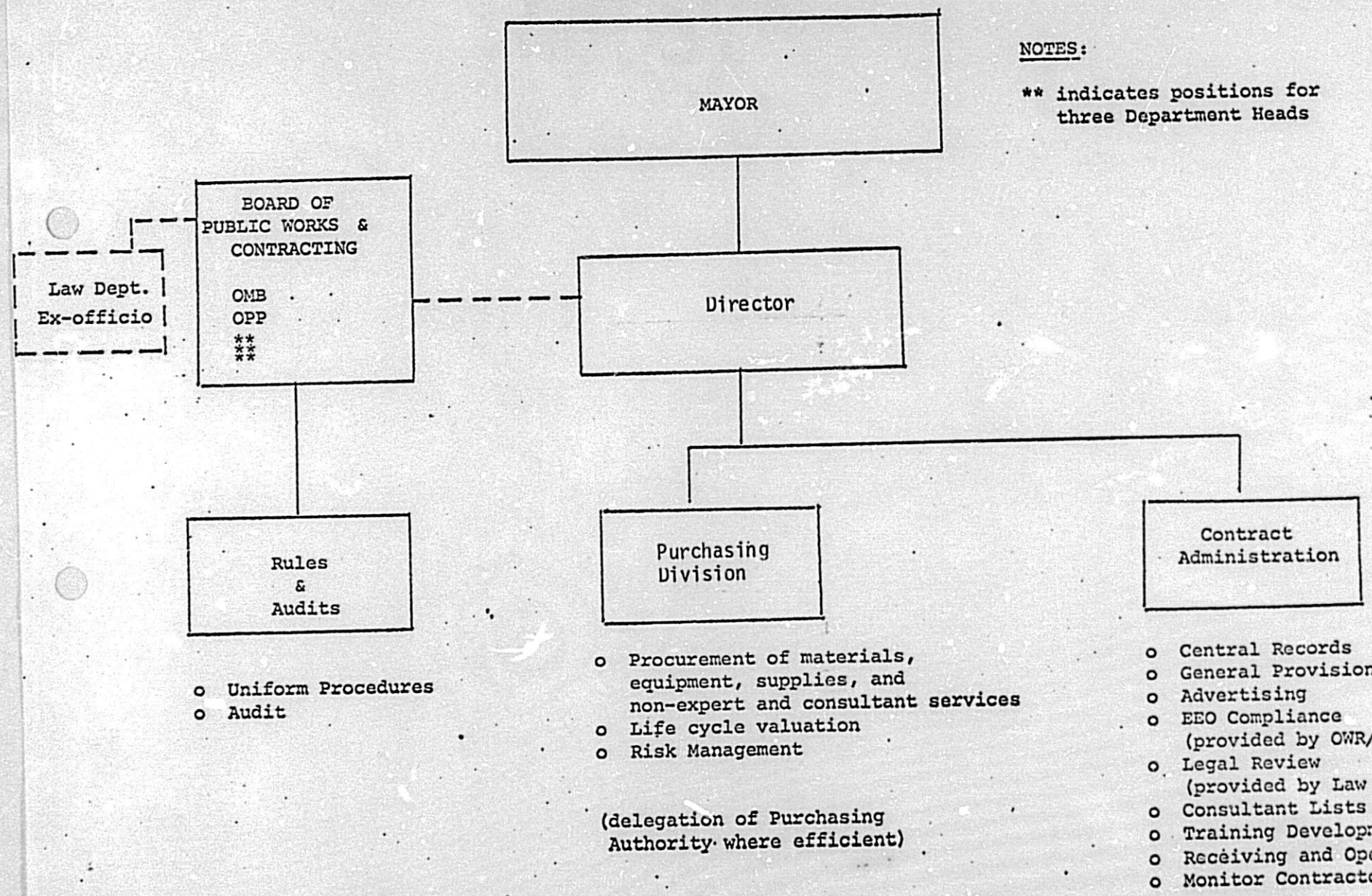
The Contract Administration section would perform contracting activities more efficiently performed on a centralized basis (general contract provisions) or advisable because of internal control considerations (receiving and opening bids). The duties of the Contract Administration Division would be:

- maintaining central contract files;
- maintaining general contract provisions;
- advertising;
- receiving, opening, and reading bids;
- ensuring that any one employed pursuant to a contract for a public works contract is paid at not less than the prevailing rate of pay for City employees performing like duties;
- developing and training programs;
- performing legal and EEO compliance review. (We believe legal review and EEO compliance should be supplied by City Attorney and Human Rights personnel assigned to the Department of Contracting.)

Duties of the Rules and Audits Section would be to assist in developing uniform rules and procedures and to audit department activities to determine compliance with applicable laws, rules, and regulations. The audit scope would cover all phases of contracting from identification of need through certification of completion. A strong auditing function is key to our recommendation to decentralize award authority while centralizing rule-making authority. For this enforcement technique to be effective, all audit reports should be issued publicly and should be addressed to the Board of Public Works and Contracting.

CHART I

DEPARTMENT OF CONTRACTING



NOTES:

** indicates positions for three Department Heads

- Uniform Procedures
- Audit

- Procurement of materials, equipment, supplies, and non-expert and consultant services
- Life cycle valuation
- Risk Management

(delegation of Purchasing Authority where efficient)

- Central Records
- General Provisions
- Advertising
- EEO Compliance (provided by OWR/HRD)
- Legal Review (provided by Law Dept.)
- Consultant Lists
- Training Development
- Receiving and Opening Bids
- Monitor Contractor Payrolls

Our study shows that little monitoring/auditing is currently performed. We found instances where the Comptroller's Office is making payment without requiring evidence of work completion and is paying more than stated in the contract total. In one case, record-keeping for a contract was in disarray -- eight separate payment histories were kept for the same consultant project.

4. We recommend the City Attorney's Office become more involved in providing preventive legal services for contracting by (a) reviewing all standard contracting forms and general provisions (b) reviewing rules and internal department procurement procedures (c) reviewing all service contracts over $25,000. We believe the best way to provide legal service is to have City Attorney staff assigned administratively to the Department of Contracting.

We found a wide variation in the quality of service contracts reviewed. Some contracts were simply countersigned letter proposals containing extremely vague descriptions of the work to be performed. Also, some contracts did not include legally required conditions such as the Equal Employment Opportunity provisions.

City attorneys involved in contracting litigation indicated that public improvement contract terms should be completely renovated. They indicated that certain clauses and specifications are either unenforceable, illegal, or inconsistent with current case law. In addition, the Board of Public Works Executive Secretary was signing contracts "approved as to legality" without benefit of legal review.

Several instances were discussed with buyers from the Purchasing Divison in which formal bids were accepted after the deadline because the vendor had notified the buyer that the bid would be late, but quoted the bid over the telephone. This situation could lead to disputes between the Purchasing Division and vendor, and the practice has been discouraged by the City Attorney's Office. We believe the City Attorney should review written procurement procedures and point out practices susceptible to legal challenge.

Because good legal advice is vital to good contracting, we believe it is necessary to have legal expertise available in the Department of Contracting. We recommend that City Attorney staff be assigned to the Department on a permanent basis in the same manner as is currently done for the utilities.

5. We recommend the Hearing Examiner be responsible for an administrative hearings procedure for contractual disputes.

Currently, the contract administrator is the first-line of individual appeal when disputes occur. If the dispute is not resolved, the next remedy is usually court proceeding. For example, when a dispute arises over a public improvement project and a City administrator makes a final decision, the aggrieved party may appeal directly to Superior Court. We believe the contract administrator should continue initial responsibility for the resolution or settlement of performance and bid disputes. However, the contract administrator should not act as an arbitrator or otherwise unilaterally decide a controversy with finality.

An administrative hearings procedure provides for a hearing examiner to make findings of fact and conclusions of law. If appealed, courts will not hear original evidence. Rather, it will review the administrative record, and will limit its consideration to only a few issues.

The City Attorney's Office believes administrative hearings, even if appealed to court, cost the City and the citizen substantially less than original proceedings in court, considering (a) cost to commence proceedings, (b) degree of attorney involvement, (c) time

lost awaiting court hearing, (d) time involved preparing and presenting the case, and (e) time of judicial officer involved.

6. We recommend the Department of Contracting develop a comprehensive contract training program for department managers. The training program should include contract administration as well as legal issues.

In all contracting areas, we found a need for more training. Certain departments, principally Engineering, provide contract training opportunities for staff. Other departments, Purchasing for example, rely solely on on-the-job training. Most contracting personnel throughout the City appeared to be generally unaware of specific training opportunities; such as Association of General Contractors and American Public Works Association contracting courses, although most cited the need for improved training. Departments cited budget constraints as a primary factor for not providing training opportunities.

The City Attorney's Office can provide valuable assistance in developing a training program and in providing in-house training. The City Attorney's Office has indicated an interest in participating in a training program.

7. We recommend that uniform consultant selection and use policies and procedures be adopted on a City-wide basis. General policies and procedures should be set forth in ordinance and more specific procedures in Board of Public Works and Contracting rules.

We found that selection of consultants was based on more limited competition than for any other type of contracting. More than two-thirds of the contracts reviewed did not include competitive consideration of any consultants except the selected firm. In one case, a department has continued to use the same consultant for approximately 20 years without any competition for the contract although other seemingly qualified firms were available.

We found that consultant contracts are not subject to any City statutes and are only marginally addressed by inter-departmental policies and proceudres. Absence of direction has resulted in a plethora of service contracting procedures -- some good, some bad.

Of the 15 contracts reviewed, only one included a written report of work completion. In all other cases, departmental representatives told us that the services were provided, however, we cannot verify their claims in the absence of any records. In some cases, many individuals within the same department worked independently with a consultant yet no one had the specific obligation to monitor the contractor's performance and to determine project completion.

We recommend that the following requirements for consultant contracts be stated in an ordinance:

(a) Open, impartial consultant selection process for contracts over $25,000. If any emergency exists such that an open, impartial consultant selection process would adversely affect the City's interest, or if it is known that only one consultant is available in the area of expertise required, a consultant may be selected without following these requirements, but the department shall report the justification for these exceptions of the Board of Public Works and Contracting.

(b) A minimum of one-day advertising in the City's official newspaper for contracts in excess of $25,000.

(c) Consultant selection shall be based on specific evaluation criteria that are made known to all prospective consultants and are relevant to each job. Although it is the policy of the City that cost will be included in the evaluation criteria, it is acknowledged that price may not necessarily be given the same relative importance as other evaluation criteria.

(d) Each department desiring consultant services which will exceed $25,000 per contract shall establish a consultant selection committee composed of at least three members for each selection process.

(e) All consultant contracts exceeding $25,000 must be reviewed by the City Attorney's Office for form, specific deliverables and liability clauses.

(f) All consultant contracts must be filed with the Department of Contracting.

(g) Consultant contracts shall be rotated among consultants that are evaluated as being equally qualified and sufficiently capable to perform the services.

(h) Departments are responsible for notifying all bidders, whether successful or unsuccessful of the selection decision and for maintaining a public record detailing the evaluation process used and decision for award.

(i) Departments are responsible for reviewing the consultant's performance and preparing a report of it. The report shall be used by the Comptroller's Office as a basis for approving final payment or retaining payment in the event of deficient or non-compliant performance. A copy of the final report shall be forwarded to the Contract Administration for use by other departments when considering consultants.

(j) Departments are responsible for preparing a written contract for all consultant work which shall include a detailed description of the work to be performed, including any deliverable products required to be met in any advisory reports, the maximum contract dollar amount, the date on which the work must be completed, required Equal Employment Opportunity clauses, as well as other ordinance, charter, or funding requirements.

We have developed a set of rules and regulations for selection and use of consultants which we recommend the Board of Public Works and Contracting adopt. The recommended rules and regulations are detailed in Volume II of this report.

8. We recommend that departments be required by ordinance to prequalify public improvement contractors unless the contract is for straight forward projects for which all contractors are qualified. Prequalification shall be determined in writing and based on the minimal qualifications necessary to perform the work, considering the following factors: integrity, skill, experience, facilities, financial responsibility and prior performance.

The change from "lowest" to "lowest and best" bid evaluation mandated by City Charter amendment, November 1977, while not drastic in law ("lowest" also allows the City to consider only bids from responsible bidders); does indicate a shift in public sentiment towards quality consideration. We belive the City should respond to this shift by determining minimally qualified firms. Two departments, City Light and the Water Department, are already prequalifying bidders, so the City has experience with this approach. After qualification criteria have been established, there are two approaches to the decision. One approach is to evaluate bidders after bids have been received; however, we

believe the best approach is to prequalify firms before allowing them to bid. Advantages to prequalification are: (1) firms without necessary qualifications will be informed prior to developing and submitting bids, and (2) the City will determine qualifications without being influenced by a specific price proposal.

Departments should exclude straight forward projects from prequalification requirements. In cases where all potential bidders are qualified, prequalification is a meaningless exercise.

9. We recommend the Department of Contracting develop a brochure explaining how the City conducts business for public improvements, materials equipment and supplies, and services.

We found that much confusion exists about how the City does business especially in the consultant area. We believe, with the changes proposed in this report, it is important to clearly communicate to the business community how to do business with the City.

10. We recommend the adoption of comprehensive Code of Ethics for all procurement contracting which prohibits conflict of interest, gratuities, kickback, contingent fees and improper use of confidential information.

We found little legally mandated ethical standards established for City officials involved in contracting. The Code of Ethics (Ordinance 100435) established general standards but does not deal specifically with procurement contracting.

The Purchasing Division has established internally an ethics policy. However, the policy is weak and insufficient in many respects -- it does not cover use of confidential information, employee disclosure requirements, prohibition against contingent fees or restrictions on employment of present or former employees.

Currently, the Board of Ethics is developing new ethics legislation including procurement contracting, which will be submitted to the City Council in the Spring 1979. Because the Board of Ethics is addressing this area, we have not developed specific recommendations.

11. We recommend that Ordinance 101432 (non-discrimination and affirmative action requirements for City contractors) be revised to include:

a. A provision allowing the Office of Women's Rights to participate in contract compliance monitoring.

b. A provision that only those contractors who have a contract or annual business with the City exceeding $25,000 and 25 or more employees are subject to contract compliance monitoring. All other contractors would be required to submit sworn statements that they are not discriminating in their employment practices.

c. A provision that contract monitoring be done on the basis of hours worked.

d. A monetary penalty of $200 or 1% of the total contract amount, whichever is more, for each working day of non-compliance.

e. A provision making a contractor ineligible for City contracts for a period not to exceed one year if a contractor is found in non-compliance.

f. A provision requiring annually updated prequalification information from all firms on the prequalified vendor's list.

We found that the Office of Women's Rights has no ordinance authority to participate in contract compliance monitoring, nor does Ordinance 101432 allow HRD to delegate its authority in this regard.

We found that HRD attempts to do too many contract monitoring activities which results in a diluted level of effectiveness in all areas of contract monitoring.

We found that the present method used by contractors to report their work force employment profiles distorts the actual levels of minorities and women employed.

We found that the present sanctions in Ordinance 101432 for non-compliance are not sufficient or effective deterrents.

We found that prequalification information is up to six years old in many cases and not useful for making current decisions on whether the contractor is in compliance with Ordinance 101432.

We found that HRD contract compliance officers are involved in too many paper shuffling exercises and not devoting enough time towards monitoring the contractors who have large contracts with the City.

We found that only 1.8% of all City purchase order contracts and .6% of the purchase order dollar volume went to women and minority businesses in the first nine months of 1978.

We found that the Purchasing Division, with HRD approval, includes contracts with foreign non-white firms in their statistics for women and minority businesses. This causes a distortion in the reported results.

12. We recommend adoption of an ordinance which comprehensively addresses the three contracting areas. The ordinance should define responsibility for the various activities, define the terms used, and specify requirements for contractor selection and contract administration.

We believe our recommendations for contracting should be implemented through adoption of comprehensive legislation dealing with all three contracting areas. Our specific recommendations for ordinance provisions are cited in Appendix I.

In February 1979, the American Bar Association (ABA) endorsed a model procurement code for state and local governments. We believe this code can serve as a foundation for the City's legislation. However, the ABA code must be tailored to meet Seattle's environment.

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We have made a number of specific recommendations in Volume II of our report. These recommendations are summarized below but not re-discussed.

Public Improvements

1. Allow ten working days between the last day of advertising and the filing deadline.

2. Open and read bids performed by staff rather than Board of Public Works and Contracting.

3. Request change in state law to allow competitive sealed proposals for projects over $10,000 when competitive sealed bidding is not practicable and advantageous.

4. Distribute a copy of all change orders to the Comptroller for verification that the contract total is not exceeded.

5. Centralize responsibility for maintaining all standard plans and specifications used by City departments in the Engineering Department.

6. Review use of unit-price contracts and establish a negotiation requirement when a variance exceeds a specified maximum.

Materials, Equipment, Supplies

1. Institute annual advertising to notify potential vendors of business opportunities.

2. Institute a vendor rating system for documenting vendor performance. Solicit bids from the best three to five vendors and from two to four others on a rotating basis. Develop an internal procedures for adding to or deleting from a vendor's list. Require vendors to provide a "no-bid" response, or after two consecutive no-reply bids, the vendor will be dropped from the vendor's list. In all cases notify vendors when dropped from vendor's list.

3. Amend Ordinance 101251 replacing "per item" definition with "per requisition" definition.

4. Inflate annually, dollar limits specified based on the Consumer Price Index.

5. Review by Purchasing Agent of purchase orders calling for brand names or sole source procurement. Aggresively exercise authority to prohibit restrictive specification.

6. Decentralize receiving and inspection responsibilities to receiving departments. Amend Ordinance 101251 to reflect system changes of the Central Financial Management System.

7. Develop a systematic review to assure that buyer's are performing according to established procedures.

8. Review emergency requisitions to determine whether repetitive purchase of commodities are occurring.

9. Increase direct vouchering authority to $250 and require departments to prepare an annual report indicating the number, type, and dollar amount of commodities procured.

10. Amend Ordinance 101251 to assign duties of Standards Committee to the Department of Contracting.

Services

1. Develop more stringent pre-negotiation estimating procedures for architect and engineer contracts.

2. Implement rules and regulations cited in Volume II.

APPENDIX I

RECOMMENDED ORDINANCE PROVISIONS

1. Requirement for competitive sealed bidding for all public improvement contracts in excess of $10,000. Contracts less than $10,000 may be awarded through competitive sealed proposals if the contracting authority determines competitive sealed bidding is not practicable and advantageous.

   (We further recommend the City seek to amend the State law requiring competitive bidding for all contracts in excess of $10,000. In light of the many advantages accruing from the proposal approach and in light of its use in the Model Procurement Code,[1] we recommend the City request the State Legislature to amend the law and allow a competitive sealed proposal method of contractor selection.)

2. Requirement that contract award through competitive sealed bidding consist of the following elements:

   a. Issuance of an invitation to bid;

   b. Public notice of the invitation to bid be advertised in the City's official newspaper for one day. Filing deadlines shall not be less than 10 days after the last publication.

   c. Public opening and reading of bids in the presence of one or more witnesses at a time and place designated in the invitation to bid. Bids shall be publicly displayed.

3. Requirement that the contracts which are competitively bid shall be awarded to the lowest and best prequalified bidder. BPW may, under its rule-making authority, exempt certain types of contracts from the prequalification requirement. Prequalification shall be determined in writing by the contracting authority, based on the minimal qualifications necessary to perform the work, considering the following factors: integrity, skill, experience, facilities, financial responsibility and prior performance.

4. Provision that the contracting authority may reject all bids for any reason and may reject any bid or proposal if it is not responsive to the required plans and specifications or the contractual terms and conditions. Bids shall be made on regular bid forms but should not otherwise be rejected for informality.

5. Requirement that contract award through competitive sealed proposals consist of the following elements:

   a. Issuance of an invitation for proposals.

   b. Public notice of the invitation for proposals by advertising in the City's official newspaper for a minimum of one day. Filing deadlines shall not be less than 10 days after the last publication.

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[1] Coordinating Committee on a Model Procurement Code for State and Local Governments, "A Model Procurement Code for State and Local Governments, Coordinating Committee's Tentative Draft."

c. The most advantageous proposal shall be determined by the contracting authority through evaluation of each proposal which is responsive to the required plans and specifications and the contractual terms and conditions. Discussions with responsive proposers shall be allowed to clarify and change proposals. Transcripts of all discussions shall be maintained by the contracting authority.

6. Requirement that contracts be awarded through written notice to the bidder or proposer and all others shall be promptly notified of the award decision.

7. Requirement that bid or proposal security shall be required in an amount equal to at least 5% of the amount bid or proposed.

8. Provision making the Board of Public Works and Contracting responsible for the following functions:

   a. Setting policy, promulgating rules, and defining internal department procedures for public improvements contracts.

   b. Monitoring all public improvement activities to ensure that established rules are followed.

9. Provision making the Department of Contracting responsible for:

   a. The Purchasing Division.

   b. Advertising for bids or proposals.

   c. Receiving and opening bids.

   d. Maintaining the central contract files with complete documentation.

   e. Maintaining consultant lists.

   f. Maintaining general provisions.

   g. Developing training programs.

10. Provision making the contracting department responsible for the following functions:

   a. Preparing plans and specifications and circulating plans to other affected departments.

   b. Prequalifying contractors.

   c. Evaluating bids or proposals.

   d. Awarding contracts.

   e. Administering the contract.

   f. Performing the final inspection.

   g. Approving the final acceptance of work.

h. Performing a post-completion evaluation of contractor performance and circulating the evaluation to the Board of Public Works and Contracting and to other contracting departments.

11. Provision designating membership of the Board of Public Works and Contracting.

12. Provision incorporating and referencing the City's Code of Ethics.

13. Provision designating the Engineering Department as the organization responsible, following rules, regulations and policy guidance of the Board of Public Works and Contracting, for maintaining the City's master file of standard plans and specifications. The Engineering Department should review all plans and specifications and incorporate them into the master specifications as appropriate.

14. Replace each reference in Ordinance 102151 to "per item" with "per requisition."

15. Requirement that the Department of Contracting update any dollar figure in Ordinances at the beginning of each calendar year so that the dollar figures are stated in units of constant purchasing power. The Consumer Price Index should be used for this purpose.

16. Replace the current definitions of "sole source", "emergency" and "impracticable" in Ordinance 102151 with more complete definitions of these terms.

17. Amend Section 12 of Ordinance 102151 to remove the Purchasing Agent's responsibility for receiving and inspection and to make the receiving departments responsible for these duties.

18. Amend Section 12 of Ordinance 102151 so that no payment for supplies, materials and equipment shall be made until a representative of the using agency has forwarded a signed receiving report, invoice and voucher to the City Comptroller.

19. Amend Ordinance 102151 to abolish the Standards Committee and assign its duties to the Department of Contracting.

20. Amend Section 4 of Ordinance 101432 to delete the phrase "except those for the purchase of supplies, materials or equipment." This will correct a contradiction between Sections 3.3 and Section 4 of Ordinance 101432.

21. Develop a new section to Ordinance 102151 on direct vouchering which includes the following elements:

    a. Prescribes a $250 limit per direct voucher.

    b. Prescribes that departments maintain complete records of their direct vouchering activity in a format to be prescribed by the Comptroller.

22. Open, impartial consultant selection process for contracts over $25,000. If any emergency exists such that an open, impartial consultant selection process would adversely affect the City's interest, or if it is known that only one consultant is available in the area of expertise required, a consultant may be selected without following these requirements, but the Department shall report the justification for these exceptions to the Board of Public Works and Contracting.

23. A minimum of one-day advertising in the City's official newspaper.

24. Consultant selection shall be based on specific evaluation criteria that are made known to all prospective consultants and are relevant to each job. Although it is the policy of the City that cost will be included in the evaluation criteria, it is acknowledged that price may not necessarily be given the same relative importance as other factors.

25. Each department desiring consultant services which will exceed $25,000 per contract shall establish a consultant selection committee composed of at least three members for each selection process.

26. All consultant contracts exceeding $25,000 must be reviewed by the City Attorney's Office for form, specific deliverables and liability clauses.

27. All consultant contracts must be filed with the Department of Contracting.

28. Efforts to rotate award of consultant services among consultants that are evaluated as being equally qualified and sufficiently capable to perform the services will be made.

29. Departments are responsible for notifying all bidders, whether successful or unsuccessful of the selection decision and for maintaining a public record detailing the evaluation process used and decision for award.

30. Departments are responsible for reviewing the consultant's performance and preparing a report of it. The report shall be used by the Comptroller's Office as a basis for approving final payment or retaining payment in the event of deficient or noncompliant performance. A copy of the central files of final report shall be forwarded to the Department of Contracting for use by other Departments when considering consultants.

31. Departments are responsible for preparing a written contract for all consultant work which shall include a detailed description of the work to be performed, including any deliverable products required to be met in any advisory reports, the maximum contract dollar amount, the date on which the work must be completed, required Equal Employment Opportunity clauses, as well as other ordinance, charter, or funding requirements.

DISCUSSION DRAFT

CITY OF SEATTLE

CITY PROCUREMENT CONTRACTING
DISCUSSION OF LEGISLATION, POLICIES, AND PRACTICES
VOLUME 2

APRIL, 1979

Joint Report to the Mayor and
City Council

By:

City Council Staff

Executive Director, Lauraine Brekke

Director Legislative Audits, Shirley Kolm

Analyst, Christa Little

Analyst, David Offner

Office of Management and Budget

Budget Director, Casey Jones

Analyst, Royal Alley-Barnes

Analyst, Thomas Stromberg

Analyst, Steve Williams

DISCUSSION DRAFT

CITY PROCUREMENT CONTRACTING

Introduction

In November 1977, Seattle voters approved Charter Amendment #1 which amended Article III, Section I, and Article VII to allow the creation, consolidation, and reorganization of the Board of Public Works (BPW) and other City departments, by ordinance. The amendment states that:

> The purpose of the Board of Public Works shall be to ensure that all contracts for public works projects awarded by the City are developed and carried out in a manner consistent with all applicable City ordinances and state and federal laws.

During City Council hearings on the Charter amendment, a discussion paper prepared by the Council's former Executive Director was presented. One major issue cited in the discussion paper was the appearance of too much administrative (as opposed to legislative) latitude in BPW's involvement in the contracting process. Other contracting issues raised included: (1) the need to improve procedures and control for service contracting, and (2) the relationship between and responsibilities of BPW and the Purchasing Agent.

The City Council has been concerned about expert and consultant services contracts since a 1976 audit of the Purchasing Division. In 1977, Council staff completed audits of three major data processing projects (the Integrated Financial System, the Customer Information System, and the Engineering Financial Information System), which included a review of data processing consultant contracts. In addition to the Council's continuing interest in expert and consultant contracting, the Municipal League completed a review in September 1978 which criticized the City's consultant selection procedures.

Over time the City had adopted a variety of contracting laws, procedures, policies, and practices representing whatever was acceptable and/or expedient at the time. In some cases, these laws and policies are still in effect; in other cases, they have been changed in response to a particular problem. As a result, the City's contracting laws and policies do not reflect a comprehensive approach to this very important activity.

In recognition of the previous piecemeal approach, and other problems, the City Council authorized its staff to conduct a study of three major contracting areas: (1) public improvements; (2) services; and (3) goods, equipment, and supplies. The Executive, too, recognized the importance of this study and authorized participation by the Office of Management and Budget (OMB). This report represents the conclusions and recommendations of a joint Council-Executive review of procurement contracting.

Study Description

In May 1978, City Council staff and OMB staff began a study of three major contracting areas: (1) public improvements; (2) services; and (3) goods, equipment and supplies. The following contract areas were not considered: (1) concessions; (2) leases; (3) interlocal agreements; (4) grants; (5) insurance; and (6) other contracts of a specialized nature, e.g., power management contracts. While some of the conclusions and recommendations may be appropriate for these excluded contract activities, we did not specifically address them.

The study team adopted a working premise that the best contracting process is one in which all involved parties (City officials, contractors, and the public) have confidence. For example, City officials will have confidence in the process when it is responsive and efficient, allowing officials to fulfill departmental needs without unnecessary delay. Contractors will have confidence in the process when they are sure that contract awards are made on a fair, impartial basis. The public will be confident when the process is conducted openly with all aspects of the process available for public scrutiny and when goods and services of desired quality are procured at reasonable cost.

We developed five "contracting principles" as a conceptual framework in which to assess the administration, organization, and procedures for contracting activities. The five principles are: (1) Impartiality; (2) Responsibility and Accountability; (3) Competence; (4) Efficiency and Effectiveness; and (5) Social and Economic.

Description of Contracting Principles

PRINCIPLE 1 - IMPARTIALITY. Impartiality can be described as the equitable and consistent application of policies to avoid favoritism and to eliminate political influence. In general, impartiality can be achieved through an open solicitation of all qualified suppliers with award made to best bid/proposal as determined by a fair, consistent evaluation. Impartiality may conflict with another contracting objective -- securing the best quality at the lowest possible price -- because the most expedient method for making an individual purchase may not be possible within the requirements imposed to achieve impartiality.

One viewpoint is that maintaining an impartial process is more important than paying the lowest price. As cited in a study done by the Council of State Governments:

> "All qualified suppliers who are willing to bid should be solicited, and all bids or proposals must be evaluated on the same basis. In contrast to industrial or private buying, the price of goods purchased is not the overriding indicator of performance in public purchasing. More important is how the price is obtained. Here, fairness and openness are paramount. There is no room for partiality, secretiveness, or deception. Good purchasing and good government are found together. (Emphasis supplied)[1]

The above statement appears to be based on the recognition that government procurement has dual objectives: (1) procuring quality goods and services at minimum cost; and (2) guarding against favoritism and profiteering at public expense. Opinions will vary on which of the two objectives should be more important. But past criticism of procurement activities may lead to the conclusion that more importance is ultimately attached to the ways and means of obtaining prices than to the prices themselves.

PRINCIPLE 2 - RESPONSIBILITY AND ACCOUNTABILITY. In general, responsibility should be focused to avoid a system where policies are not consistently applied. Also, policy choices should be made by a public official with sufficient authority to make those decisions. Accountability requires that City officials give a full accounting of the actions and expenditures for which they are responsible.

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[1] Council of State Governments, State and Local Government Purchasing, March 1975.

Elements of these principles are:

1. Composition, organization, and location of authority within the City government (i.e., reporting relationships, appointment authority, etc.)

2. Management control; including review, approval, and audit procedures.

3. Openness to public scrutiny.

Note that some of the above-listed elements also contribute to the impartiality principle, i.e., organizational structure can reflect independence and freedom from political influence.

1. Organization and location of authority. Most of the literature we have reviewed[1] recommends centralization of procurement authority, with appropriate delegations of authority. Generally, the benefits of centralization are:

   (a) Ability to ensure the integrity and effectiveness of the program. Blanket exemptions from central procurement authority are to be avoided because they jeopardize the integrity of the system by diffusing management control;

   (b) Cost savings. Standard, high-volume items can be purchased at a lower cost if individual departmental purchases are aggregated; and

   (c) Opportunity to utilize professional procurement expertise.

   The major advantage of a decentralized procurement system is that operating departmental personnel can provide the technical expertise for bid/proposal evaluation. Centralized organizations develop their own priorities which may be different from those of individual departments, thus reducing the department's control over its programs. Decentralization can eliminate the high cost of a full-time professional procurement staff. However, although departmental personnel are good judges from a technical standpoint, they may lack the widespread knowledge of market conditions and other factors necessary to analyze a set of procurement alternatives.

   In any case, the procurement authority should occupy an adequately high place in the organizational hierarchy so that it can interrelate effectively with other City departments.

2. Management Control. The responsible procurement authority should be required to develop regulations and to document policies and procedures in manuals for communication within the procurement organizations and with the departments served. In addition, standard contract language should be utilized whenever appropriate. In addition to improving management control, standard forms and common language will improve the efficiency of the procurement process.

   Review and approval steps should be minimized. The procurement authority's approval should be sufficient if adequate policies and procedures are developed and an independent review is performed to determine whether policies and procedures are followed.

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[1] See Bibliography, Appendix X.

There should be an official file maintained by the procurement authority which documents the justification for each action. Documentation is especially important when normal operating procedures are not followed. The official file should be open to public review upon request.

A post-completion performance review should be conducted (at the completion of each contract) to evaluate the contractor's performance. The review should be documented in the official file. A post-completion review will be beneficial in making and justifying future lowest and best bid/proposal determinations. In addition, a review or audit of specific aspects of the procurement process should be conducted periodically in order to determine whether laws, policies, and procedures are being followed.

3. Openness to public scrutiny. In addition to public access to the official contracting file, bids should be opened publicly. Each bid, together with the name of the bidder, should be recorded and be open to public inspection. This practice fosters confidence in the integrity of the process and discourages collusion and favoritism. While price quotations are not subject to the same requirements, the process must still be an open one. Records should be maintained which are available to all interested parties so that the entire spectrum of procurement is open to public scrutiny.

Whenever feasible, it is best to prepare a tabulation at the bid opening and, in any case, the contractors and public must have access to the prepared tabulations.

PRINCIPLE 3 - COMPETENCE OF PROCUREMENT PERSONNEL. Competence can be defined as honesty, professionalism and expertise. Where there is professionalism and conformance to technical and ethical standards, procurement can work to award contracts impartially, reduce costs of City operations, and to instill confidence in the integrity of government.

The procurement authority should be responsible for determining job requirements for each position within the organization and filling positions with qualified personnel. In addition, professional development should be encouraged through on-the-job training, outside training and attending professional organizations.

There should be ethical standards for both City officials/employees and contractors. The standards should be clear and concise and should set out the conduct expected of both groups. Penalties for breach of ethical standards should be established.

Ethical standards should include prohibitions:

- conflict of interest (including financial interests of family members)
- gratuities
- kickbacks
- contingent fees
- use of confidential information

PRINCIPLE 4 - EFFICIENCY AND EFFECTIVENESS

Efficiency can be defined as conducting the procurement process in the least costly way possible. Efficiency requires that procurement officials perform with a minimum of waste, expense, and unnecessary effort.

Effectiveness in procurement occurs when desired quality objectives are achieved. Effectiveness includes the concept of value.

Unfortunately, often what is efficient is not effective, and vice versa. Therefore, in many cases tradeoffs are required between the principles of efficiency and effectiveness. Also, efficiency and effectievness objectives generally require tradeoffs with other contractng principles, i.e., impartiality, responsibility and accountability, and socio-economic policies. There are three factors affecting the cost and effectiveness of a particular procurement system: (1) responsiveness and flexibility; (2) quality; and (3) process cost.

(1) Responsiveness and flexibility. Responsiveness of a procurement system relates to providing the goods or services when required by the requesting department. Optimally, the exact quantity and quality of an item is always provided at the moment of need. However, this "perfect" system may be very costly to operate.

Generally, a short lead time between recognition of need and required delivery will result in the procurement mechanism being unable to respond with the best quality and quantity of an item. Procurement officials must investigate the marketplace in order to find the best quality, quantity, and price. If a thorough investigation is not conducted, the City may not receive the maximum possible value for its money. Conversely, the longer the lead time required by the procurement system, the less accurate will be the departments' forecasts of their needs. Inaccurate forecasts may cause increased "emergency" procurements, again increasing costs. The resulting tradeoff is between a long procurement process where departments may be forced in to operating without needed goods or services; or a short process, where procurement officials may not have sufficient time to adequately investigate the marketplace.

Flexibility is the ability of a system to respond to changes in procurement needs and availability of the item required, or the potential to deviate from standard practices. A procurement system operates in a world where the needs of the City change and the operations of the marketplace vary. In order to efficiently meet procurement requirements, the system must be capable of adapting to unique situations; a rigid system which makes unusual procurements impossible should be avoided. However, the system should not be so flexible as to allow the circumvention of normal procedures when it suits personal convenience. Management control and accountability must be maintained but, in addition, provisions should be included that allow for contingencies.

Laws should be carefully assessed to assure an adequate amount of flexibility under varying conditions. Laws should address the principles of procurement but should not contain detailed operational guidelines. Laws should not be too general or constant interpretation and dispute will result; however, they should provide room for professional judgment and initiative.

(2) Quality is measured by the degree to which a product meets the requirements of the ultimate consumer of the product. Quality requirements may include physical properties, performance characteristics, appearance, design, reliability, and value for the price. Quality is obtained by:

- accurately and adequately specifying the requirements
- selecting vendors who have the capabilities and know-how
- mutual understanding of the procurer's needs

Quality specification is a necessary part of every purchase transaction. This may be accomplished by reference to established buyer or vendor specifications, catalog references, blueprints, or developing performance specifications unique to the situation.

Preparation of proper technical specifications is one of the most important and most difficult functions in the procurement process. Specifications should set out the essential characteristics of products being purchased, so that bidders/proposers can accurately develop their bids/proposals. Specifications should relate directly to the suitability of the product for its intended use and should not over or under specify requirements. Specifications should not unnecessarily limit competition.

One technique useful in developing specifications is value analysis or value engineering. Value analysis is a creative and scientific approach which identifies and eliminates unnecessary costs from a material, product, or service while maintaining or improving its quality and ability to accomplish the function.

(3) Process cost refers to the cost of operating the procurement system. Note that steps taken to achieve other contracting principles require increasing the process cost. For example, as the number of suppliers increases and as the sophistication of the specifications increases, the probability of making the optimal purchase is increased. But the larger the number of bids/proposals and the more sophisticated the specifications, the higher is the cost of operating the procurement system. More expert personnel and time is required to complete each transaction.

One way to reduce process cost is to exclude small, straightforward acquisitions from formal procedures. Another way to reduce process cost is to keep review and approval steps to a minimum, consistent with achieving the objective of management control.

PRINCIPLE 5 - SOCIAL AND ECONOMIC POLICIES. The City has established certain social and economic policies which are implemented in part through the City's procurement activities. For example: (1) contractor prequalification requirements relative to affirmative action; (2) local economic development policies; and (3) minority business preferences. Note that implementation of the social and economic policies may conflict with other principles, i.e., impartiality, efficiency and effectiveness.

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The remainder of this report is organized:

Chapter 1. Public Improvement Contracting

Chapter 2. Materials, Equipment and Supplies Contracting

Chapter 3. Services Contracting

Each Chapter deals with a distinct contracting area and the discussion of existing laws, procedures and practices and is organized by the five contracting principles discussed above. Recommendations conclude each section, although all recommendations are summarized in Volume I of this report.

CHAPTER I

PUBLIC IMPROVEMENTS CONTRACTING

Background

Ordinance 107785, November 1978, establishing the Board of Public Works (BPW), provides for a five-member Board responsible for awarding and ensuring that all contracts for public works projects are developed and carried out in a manner consistent with the City Charter and applicable law. The ordinance provides that pursuant to the Administrative Code (Ordinance 102228), BPW may adopt whatever rules it deems useful for the conduct of its business and that BPW shall appoint an Executiev Secretary responsible for administrative and other duties. Duties of the Board are itemized as follows:

(a) Awarding and ensuring that all contracts for public works projects awarded by the City are developed and carried out in a manner consistent with the City Charter and applicable law.

(b) Ensuring that all public improvements made pursuant to a contract by the City are awarded to the lowest and best bidder.

(c) Performing other duties assigned by ordinance or by the City.

(d) Performing functions contemplated by City ordinances relating to streets, public places, and waterways, including the Street Use Ordinance, the Traffic Code, and the Harbor Code.

(e) Ensuring that persons employed pursuant to a contract for public works are paid not less than the prevailing rate of pay for City employees performing like duties, to the extent permitted by law.

(f) Administering contracts for the collecton of garbage and solid waste and for the development and operation of disposal sites.

PRINCIPLE 1 - IMPARTIALITY

Description of the Principle

Impartiality can be described as the equitable and consistent application of policies to avoid favoritism and to eliminate political influence. In general, impartiality can be achieved through an open solicitation of all qualified suppliers with award made to best bid or proposal as determined by a fair, consistent evaluation. Impartiality may conflict with another contracting objective -- securing the best quality at the lowest possible price, because the most expedient method for making an individual purchase may not be possible within the requirements imposed to achieve impartiality.

Description of Existing Legislation, Procedures and Practices

City Charter

Before Charter Amendment I, 1977, was enacted, the Charter required that all public improvements to be made by contract be awarded to the lowest bidder. The amended Charter requires that all public improvements be awarded to the lowest and best bidder.

Other provisions in the old Charter were:

- Invitation to bid advertised in the official newspaper for at least 5 consecutive days.
- Plans and specifications open to public inspections.
- Sealed bids filed on or before a specific time not less than 4 days after the last publication.
- Bid bond or check required, amounting to 5% of the bid amount; if successful bidder fails to enter into a contract within 10 days, the bid bond is forfeited.
- Bids opened publicly and read; no bid rejected for informality; all bids may be rejected.

With enactment of the Charter amendment, these provisions are no longer effective. There is no legislation replacing the cited requirements.

BPW Rules and Regulations

BPW has developed a "Rules and Regulations" manual describing the requirements for public improvements contracts in greater detail. The manual includes bidding procedures and provides in part that:

- All bids shall be made on regular bid forms.
- Nondebatable Emergency shall mean any happening of nature, riot, insurrection, war or other unanticipated occurrence requiring immediate restoration of public property. Bidding requirements shall be waived when BPW determines a nondebatable emergency exists.
- BPW reserves the right to reject non-responsive bids (non-responsive is not defined).

Review of Actual Practices

The excerpts quoted above demonstrate a clear public policy statement favoring competitive bidding. The City Charter requires competitive bidding for all public improvements contracts, and State law requires that all public improvements in excess of $10,000 be completed by contract pursuant to public notice and competitive bidding. Public policy statements also include an impartial award of the contract to the "lowest" (now, "lowest and best") bidder. Other elements which impact the impartiality of a contract award are:

- Public notice -- extent and frequency of advertising.
- Clarity and appropriateness of contract specifications.
- Evaluative criteria used for contract award.
- Exemptions allowed from formal procedures.
- Openness to public scrutiny.

We reviewed a sample[1] of 15 public improvements contracts awarded in 1977 to determine whether current practices result in an impartial award. We found:

1. All 15 contracts were awarded to the lowest bidder through competitive sealed bidding.

2. Bids were opened, read publicly in BPW meetings; bids were kept on file for public inspection in the BPW office.

3. An average of 4.5 bids were received for 11 contracts reviewed; "lone bids" were received for two contracts and a tabulation of bids did not exist for two contracts. Of the two "lone bids", one was for a project requiring specialized skill and equipment (application of hot coal tar enamel), and one was for an expansion of a previously completed construction project. Since regular BPW procedures advertising and soliciting bids were followed, the two "lone bids" do not appear to indicate a problem.

4. All 15 contracts were advertised for a minimum of 5 days in the City's official newspaper (Daily Journal of Commerce).

5. Plans and specifications were available for viewing at BPW and five contractor information centers.[2] In addition, plans and specifications are available to interested contractors upon request and payment of a deposit.

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[1] The sample was selected on a judgmental basis. We included both large and small contracts, contracts of an identified type (i.e., demolition, construction, landscaping, etc.), and contracts administered by each Board department. The sample represents 12% of the total number of contracts awarded in 1977 and $6.9 million or 36% of the total dollar amount awarded in 1977. See Appendix I for a list of contracts reviewed.

[2] BPW routinely distributes plans and specifications to the following locations: Associated General Contractors, Seattle and Tacoma Chapters; Northwest Plan Center, Seattle; Sea-Port Business Development Center, Seattle; and the Plan Bureau, Seattle.

6. City Light and the Water Department require prequalification of contractors before bids will be accepted. RCW 35.92.350 requires that any contractor desiring to bid upon electrical work be prequalified as to: (1) adequate financial resources; (2) necessary experience, organization, and technical qualifications; (3) ability to comply with required performance schedule; and (4) satisfactory record of performance. City Light provides prequalification forms to interested parties and maintains a file of prequalified firms. The file is updated annually. The Water Department requires each prospective bidder to furnish proof of satisfactorially completing three contracts of like scope to the project being bid. Those bidders who meet the department's requirements are notified of prequalification one week before bid opening.

7. A "short bid" process was used for one contract. The process does not alter the competitive sealed bid procedure but does save about one week by eliminating the internal review of plans and specifications by all BPW member departments. The "short bid" is used when a project does not affect the activities of other departments (e.g., duct work in the Municipal Building does not affect City Light, Water, Parks, or Engine ing departments).

As part of the review, we contacted thirteen firms who seek and do business with the City. An effort was made to interview a variety of firms: minority and non-minority firms, firms that were successful in getting City contracts and those that were not. All of the firms contacted have had contracts with the City; all have made unsuccessful bids. Most firms were successful in winning about 15-25% of their bids. In addition, we interviewed representatives of the Associated General Contractors. Following is a summary of the responses:

Contractor Selection. The one area where there was complete, unqualified agreement is contractor selection. All responded that in all cases contractors are selected without corruption or favoritism in open competition on the basis of lowest responsive bid. There is no negotiation after bid opening and bids are always opened and read in public.

Public Notice. Most, but not all, contractors subscribe to the Daily Journal of Commerce and all agreed that this is a fair and satisfactory method of advertising. No firms are given special notice or special invitations to bid, not even those on "prequalified bidders" lists maintained by City Light.

Invitation to Bid. Commenting on the time allowed to prepare bids, the interviewees indicated that the time allowed has been adequate; however, some said that the amount of time available is not sufficient to make a "good faith effort" to invite minority firms to bid as subcontractors. (See further discussion under Social and Economic Policies.).

IMPARTIALITY - Conclusions and Recommendations

We believe the City's current practices provide an impartial selection of those contractors who submit bids. Certain problems were identified, but they do not affect the basic integrity of current activities.

In response to the comments of some contractors that the amount of time available to prepare bids is not sufficient to make a "good faith effort" to invite minority firms to bid as subcontractors, we believe the filing deadline should allow at least 10 working days from the last day of advertising. (Of the contracts reviewed, the number of days from bid publishing to bid opening ranged from 7 days to 27 days. Two contracts of the 15 reviewed were less than 10 days. Before amendment, the City Charter required at least 4 days).

In our conversations with City officials, one official commented that advertising for five days seemed unnecessary because contractors read the official newspaper daily. We checked with King County, which advertises for 2 days (consecutive Thursdays), the Port of Seattle, which advertises for 7 days; and the City of San Diego, which advertises for 1 day. We believe the current requirement to advertise for 5 days in the City's official newspaper is unnecessary and that this requirement should be reduced to one day.

We question the need to open and read bids during regular BPW meetings because this activity appears to be an unnecessary use of the Board members' time. Also, this forum may inhibit an observation of the bids by the concerned bidders. Instead, we believe the bids could be opened and read by staff. An additional advantage is that bid openings could occur on any business day rather than just when the Board is in regular, weekly meetings resulting in improved timeliness in the process.

We believe the current practice requiring competitive sealed bidding for all public improvements contracts is unnecessarily restrictive and does not provide for circumstances where competitive sealed bidding is not practicable and advantegous; e.g., procurement of advanced technologies where risks can be reduced (assigned to the contractor) through negotiation. This is especially important in areas where there is no risk assignment model that can be selected in advance and incorporated into the plans and specifications. The American Bar Association has developed a "Model Procurement Code for State and Local Governments." The code provides for the use of competitive sealed proposals when competitive sealed bidding is not "practicable" and "advantageous."

Competitive sealed bidding should continue to be the preferred method of procurement; however, there should also be room for competitive proposals. The two methods of selection differ in the following ways:

(a) Under competitive sealed bidding, subjective factors may be used only to determine if the supply, service, or construction item bid meets the purchase description. Under competitive sealed proposals, subjective factors may be used to determine not only if the items being offered meet the purchase description but may also be used to evaluate competing proposals. The effect of this different use of subjective evaluation is that under competitive sealed bidding, once the subjective evaluation is completed, award is made on a purely objective basis to the lowest responsive and responsible bidder. Under competitive sealed proposals, the quality of competing products may be compared and trade-offs made between price and quality of the items offered (all as set forth in the solicitation). Award under competitive sealed proposals is then made to the responsible offeror whose proposal is most advantageous to the City.

(b) Competitive sealed bidding and competitive sealed proposals also differ in that under competitive sealed bidding, no change in bids is allowed once they have been opened, except for correction of errors in limited circumstances. The competitive sealed proposal method, on the other hand, permits discussions after proposals have been opened to allow clarification and changes in proposals provided that adequate precautions are taken to treat each offeror fairly and to ensure that information gleaned for competing proposals is not disclosed to other offerors.[1]

Since State Law (RCW 35.22.620) requires that all public improvements in excess of $10,000 (electrical contracts are excepted from this requirement; also, for watermains the limit is $15,000) be done by contract andafter call for competitive bids, the competitive sealed proposal alternative is prohibited for contracts in excess of $10,000. In light of the many advantages accruing from the proposal approach and in light of its use in the Model Procurement Code, we recommend that the City request the State legislature to amend the law and allow a competitive sealed proposal method of contractor selection in instances where competitive bidding is not "practicable" and "advantageous."

Charter Amendment I requires that contract award be made to the "lowest and best" bidder. The City Attorney has stated that the term "lowest and best" bidder has a distinct legal meaning; "lowest" means smallest monetary bid and "best" means all who are at least minimally qualified to perform the work contracted. ("Best" does not mean the finest of an array.) Minimal qualifications which the City may consider include integrity, skill, experience, facilities, financial responsibility, and prior performance. According to the City Attorney, case authority does not authorize inquiry into further qualifications under the term "lowest and best."[2]

The change from "lowest" to "lowest and best," while not drastic in law ("lowest"also allows the City to consider only bids from responsible bidders), does indicate a shift in public sentiment towards quality considerations. We believe the City should respond to this shift by devoting attention to the determination of minimally qualified firms. After qualification criteria have been established, there are two approaches to this decision. One approach is to evaluate bidders after bids have been received; however, we believe the best approach is to prequalify firms before allowing them to bid. (City Light and the Water Department are already prequalifying bidders, so the City has experience with this approach.) Advantages to prequalification are: (1) firms without necessary qualifications will be informed prior to investing time and money to develop and submit bids, and (2) the City will determine qualifications without being influenced by a specific price proposal.

Small, straightforward projects (i.e., demolition projects) should be excluded from prequalification requirements. In cases where all potential bidders will meet minimum qualifications, prequalification is a meaningless exercise.

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[1]Coordinating Committee on a Model Procurement Code for State and Local Governments, "A Model Procurement Code for State and Local Governments, Coordinating Committee's Tentative Draft."

[2]City Attorney Office letter to Councilman Paul Kraabel, September 19, 1978.

In the absence of other legislation, we recommend the passage of an ordinance which includes the following provisions:

1. Issuance of an Invitation for Bids.

2. Public notice of the Invitation for Bid by advertising in the City official newspaper for a minimum of 1 day. Filing deadlines shall not be less than 10 days after the last publication. Bid opening date and time should be published.

3. Public opening and reading of bids in the presence of one or more witnesses at a time and place designated in the Invitation for Bid. Bids shall be publicly displayed.

4. Award to the lowest and best prequalified bidder. Prequalification shall be determined in writing by the responsible departments, based on the minimal qualifications necessary to perform the work, considering the following factors: integrity, skill, experience, facilities, financial responsibility, and prior performance.

5. Written record of the evaluation and rationale for selection or rejection of all bids shall be maintained.

6. All bids may be rejected for any reason. Any bid may be rejected if it is not responsive to the required plans and specifications or the contractual terms and conditions. Bids shall be made on regular bid forms but should not otherwise be rejected for informality.

7. Contract shall be awarded by written notice to the lowest and best bidder, and all other bidders shall be promptly notified of the award decision.

8. Bid security shall be required in an amount equal to at least 5% of the amount bid.

PRINCIPLE 2 - RESPONSIBILITY AND ACCOUNTABILITY

Description of the Principle

In general, responsibility should be focused to avoid a system where policies are not consistently applied. Also, policy choices should be made by a public official with sufficient authority to make those decisions. Accountability requires that City officials give a full accounting of the actions and expenditures for which they are responsible.

Description of Existing Legislation, Procedures and Practices

City Charter and Ordinances

Legislation related to this principle is contained in the City Charter and in City ordinances. The old City Charter authorized the BPW to manage and supervise public works, buildings, structures, streets, utilities and equipment and to direct five departments (Engineering, City Light, Building, Parks, and Water) in these activities. Charter Amendment #1 states that the "purpose of the Board of Public Works shall be to ensure that all contracts for public works projects awarded by the City are developed and carried out in a manner consistent with all applicable City ordinances and State and federal laws." The Charter Amendment signficiantly changed the responsibility for most activities of the old Board; however, BPW responsibilities for public improvements contracting remained basically the same. (Also, other responsibilities of the BPW authorized by the Street Use Ordinance, Traffic Code, etc., remain unchanged.)

Review of Actual Practices

Organization and Location of Authority

Chart I outlines the responsiblities of BPW and responsibiiities of the department originating the contract. For the most part, BPW is responsible for activities which could be characterized as clerical. The individual departments are responsible for the technical activities (preparing plans and specifications) and most contract administration activities (with the exception of calling for, receiving and opening bids, which BPW administers).

CHART I

BPW AND DEPARTMENTAL RESPONSIBILITIES

BPW responsibilities are:

1. Advertising for bids in the City official newspaper.
2. Receiving, opening, and reading bids.
3. Scheduling and coordinating Human Rights Department pre-award conferences.
4. Formally awarding contracts, notifying contractors and others of award; and ensuring that bond and insurance acceptable to the Law Department are obtained.
5. Checking contractors' weekly payrolls to ensure that prevailing wage requirements are met and approving monthly estimates of contract payment.
6. Processing acceptance of contracts for BPW approval.
7. Hearing appeals (usually disputes are resolved through litigation rather than through BPW decision).

Departmental responsibilities are:

1. Preparing and circulating plans and specifications.
2. Reviewing other departments' plans and specifications for impact on departmental activities.
3. Evaluating bids, determining the lowest responsive bid, and recommending to BPW the bid for award.
4. Administering the contract; performing inspections, preparing change orders, preparing estimates of work performed, reviewing monthly contract payments, and preparing other records thoroughly documenting construction activity.
5. Performing the final inspection to ensure conformance with the specifications and notifying BPW of final completion.
6. Performing a post-completion evaluation of contractor performance (Engineering Department only).

Contrary to the appearance of centralization created by having a BPW, the current configuration is basically decentralized, with the departments responsible for substantive contracting activities. BPW has the authority to determine and monitor department operations, but with a decentralized operation the Board often does not have the information necessary to determine whether the operations are appropriate.

BPW reviews and approves at various steps in the contracting process as demonstrated in Appendix II. For the most part, BPW approvals are based on departmental recommendations which are not independently confirmed by BPW. Approval points are:

1. BPW approves plans and specifications after each member department has reviewed and commented. Departmental review consists of checking to see whether the project will impact its activities rather than a detailed review of the plans and specifications. BPW does not have the technical staff to review plans and specifications, but it does check to see whether boiler-plate specifications are present.

2. BPW ascertains that Human Rights Department's and Office of Women's Rights' approvals are received.

3. BPW ascertains that performance bonds and certificates of insurance are received. The City Attorney's Office reviews performance bonds.

4. BPW approves requests to subcontract work to identified subcontractors.

5. BPW Chairman approves payment of monthly cost estimates. Cost estimates are developed by the administering department. BPW does not investigate the reasonableness of the payments.

6. BPW checks weekly contractor payrolls for payment of prevailing wage. Payrolls are submitted and certified by the contractor. BPW does not independently review.

7. BPW approves final acceptance of the project. Departments perform the final inspection and make a recommendation to the Board. BPW does not independently review.

Management Control

The general reaction of departmental personnel is that BPW is a "rubber stamp" and is not well-informed about the projects. However, the Board is occasionally consulted on policy questions such as responsibility for the safety of contractors' employees.

BPW has issued a "Rules and Regulations" manual including policies and procedures for bids, short bids, minority business enterprise and documentation for a contract extension of time. Also, the Board has adopted a City of Seattle Supplement to the American Public Works Association (APWA), Standard Specifications for Municipal Public Works Construction. Both sets of standard specifications include a section (General Requirements and Covenants) dealing with contract administration.

We reviewed contract administration for the 15 contracts included in our sample. Our review focused on administration of contract change orders because this is an area for potential abuse. A change order is an alteration in the contract terms and conditions; a change order is issued when actual project conditions prove to be different from the City's assumptions used in developing the plans and specifications. Abuses may occur because the cost associated with the change is not subjected to the rigors of competitive bidding; instead, the cost is negotiated with the contractor or determined by monitoring direct costs (labor, materials, and equipment).

We found that BPW does not review change orders prior to departmental authorization; neither does it monitor change orders after issuance. Chart II shows the number of change orders issued according to department records and according to BPW records.

The majority of change orders reviewed were related to unforeseeable site conditions or inadequate plans and specifications. However, in a Parks Department contract, we identified two change orders for work unrelated to the contract. The department contracted with a firm to construct a gorilla exhibit at the zoo. Thirteen change orders totalling $46,708 were authorized altering the gorilla exhibit contract. In addition, two change orders totaling $3,056 ($2,297 and $759) were authorized for work at the Children's Zoo -- work unrelated to the gorilla exhibit. The department's project manager stated the work could have been procured through the Purchasing Agent or through using departmental personnel, but using an existing contractor already on site was more efficient and expeditious. Unfortunately, the department's method excluded any competition for the work and could be construed as favoring a particular contractor.

Ordinance 102151 requires the Purchasing Agent, to the extent possible, to obtain at least three competitive bids when expenditures for supplies, materials, and equipment are less than $2,500. The City Charter requires competitive bidding for all public improvements contracts. Although it can be debated whether the work authorized by the Parks Department constituted a public improvement or ordinary maintenance, we believe the tradeoffs between competition and efficiency implied by this situation should have been resolved at a higher decision-making level such as BPW, rather than internal Parks Department management.

In our review of change orders, we identified an unusual array of procedures for allowing overhead and profit on change orders. Both APWA Standard Specifications and City supplemental specifications define percentages of overhead and profit to be allowed. In addition, many of the departments have contractual "General Conditions" which also define percentages to be allowed. Overhead and profit paid to a contractor for a given change order vary greatly, depending on which department is involved. Chart III demonstrates these differences and shows the impact on the dollar amount of overhead and profit, using a hypothetical example.

While overhead costs may vary from project to project, there seems to be no justification for an arrangement in which one contractor could receive different overhead and profit amounts, depending upon which City department is responsible for the contract. Also, there appears to be little justification for allowing different percentages, depending upon whether the work is "force account" or lump sum/mutually agreed upon prices. We believe the Economic Development Agency's general condition which limits overhead to a fixed fee based on the estimated cost of work is the best solution.

CHART II

NUMBER OF CHANGE ORDERS ISSUED AS RECORDED BY BPW AND BY THE ISSUING DEPARTMENT

BPW Contract Number	Department Change Orders	BPW Change Orders
76-148	9	0
77-5	1	0
77-12	9	0
77-15	0	0
77-24a	0	0
77-45	13	6
77-51	31	7
77-55	2	2
77-57	12	11
77-62	4	4
77-102	3	1
77-105	6	0
77-113	2	2
77-115	0	0
77-116	2	0
Total	94	33

Chart III

Overhead and Profit Percentages Allowed on Change Orders		Hypothetical Change Order (General Contractor) $5,000 Labor 5,000 Equip. & materials $ 10,000 Total direct costs
APWA Standard Specifications	For "Force Account" work, allows 20% of labor, 15% of material, and 15% of equipment.	$5,000 @ .20 = $1,000 5,000 @ .15 = 750 $1,750
City Supplemental Specifications	For "lump sum" or "mutually agreed prices," allows 10% overhead plus 10% profit on labor, materials and equipment. If a subcontractor performs the work, each contractor superior to the subcontractor shall be allowed an additional markup of 10% on the first $10,000 and 5% over $10,000.	$5,000 @ .10 = $ 500 5,000 @ .10 = 500 $1,000 $11,000 @ .10 = 1,100 $2,100
City Light General Conditions	For "lump sum" or "mutually agreed prices," allows 10% overhead plus 10% profit plus 1% bond coverage on labor, material and equipment.	$5,000 @ .10 = $ 500 5,000 @ .10 = 500 1,000 $11,000 @ .10 = $1,100 12,100 @ .01 = 121 $2,221
Parks General Conditions	For "lump sum" or "mutually agreed prices," allows the general contractor 10% markup for all subcontracted work and 16½% for all work done directly by the general contractor.	$5,000 @ .165 = $ 825 5,000 @ .165 = 825 $1,650

Engineering General Conditions	Engineering Department uses the APWR & City Standard Specifications, However, our review of change orders shows a consistent application of the 20%-15% 15% allowance for "force account" work.	$5,000 @ .20 = $1,000 5,000 @ .15 = 750 $1,750
Building General Conditions	For "force account" work, allows a "reasonable allowance for overhead and profit." The City Architect bases the determination on a general feel for market conditions. For two change orders reviewed, the following percentages were allowed: 12% for supervision, 5% for tool expense, 15% for overhead, and 10% for profit.	$5,000 @ .12 = $ 600 5,000 @ .05 = 250 $ 850 $10,850 @ .15 = $1,628 12,478 @ .10 = 1,248 $3,726
Seattle Center (contract reviewed used EDA Conditions)	Allows a fixed fee not to exceed 15% of the estimated cost of the work.	$5,000 @ .15 = $ 750 5,000 @ .15 = 750 $1,500
Water	Uses APWA and City Standard Specifications. For "lump sum" or mutually agreed prices, allows 10% overhead plus 10% profit.	$5,000 @ .10 = $ 500 5,000 @ .10 = 500 1,000 11,000 @ .10 = 1,100 $2,100

In discussion with the Comptroller's Office, we found that the Comptroller does not receive copies of authorized change orders and therefore does not know the maximum dollar amount authorized for expenditure. The Comptroller's Office will pay any vouchers authorized by the department and accompanied by a monthly estimate of cost signed by the department, the BPW Chairman and the BPW Executive Secretary. According to the BPW Executive Secretary, their review is limited to determining that it contains the appropriate signatures and the required retainage. Although each payment request is signed by the Board, no record is kept of the total payment approved for any project. Apparently, the Comptroller's Office is relying on BPW to ascertain that the expenditure is authorized by contract; however, because BPW does not monitor change orders, a necessary internal control is absent. In effect, the Comptroller's Office performs no audit function and a minimal control function. The Board's Executive Secretary indicated that a written amendment to the contract is required if the total amount paid exceeds the original contract total. However, we observed instances in which the Engineering Department paid more than the contract total without preparing a written amendment. The department stated that the quantities contained in a unit-price bid[1] are only estimates and that the actual number of units required is subject to change; therefore, paying more or less than the total was appropriate.

There has been little external review/audit completed to assure that departments and BPW are performing competently. In 1977, the State Department of Transportation performed a quality control review of an Engineering Department project and found a considerable lack of plan and specification familiarity by project construction personnel as well as inadequate quality control. Findings of this report are discussed on page 38. In addition, if a project uses federal funds, the federal agency may perform a contract compliance review.

RESPONSIBILITY AND ACCOUNTABILITY - Conclusions and Recommendations

BPW has not assumed an active role in administering public improvements contracts; instead, member departments are responsible for most administration activities. This decentralized system does not coincide with the appearance of centralized authority assumed to exist within the Board. The Board has not been active in monitoring departmental activities or in ensuring the integrity of the system. BPW has issued a "Rules and Regulations" manual but has not provided needed guidance to the departments.

In addition, the reviews and approvals performed by BPW are perfunctory. BPW often does not have the necessary information and/or the technical skills to perform a review. Frequently, BPW approval represents an after-the-fact authorization.

We believe the Board should function as a policy-making and rule-setting body for all public improvements contracting. In addition, we believe the Board should define acceptable contract administration practices and monitor activities to ensure that its direction is followed.

We believe the Board shculd be responsible for:

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[1] See discussion and definition on page 34.

1. Setting policy for public improvements contracting and interpreting it as necessary.

   a. Promulgating rules.

   b. Defining the internal procedures departments must follow in all aspects of the contracting process. (Especially important is defining the controls and checks within the departments.)

2. Monitoring all public improvement activities to ensure that established rules are followed. Especially important is reviewing administration of contractual change ordres.

We believe that the Contract Administration Division in the Department of Contracting should be responsible for:

1. ~~2.~~ Advertising for bids.

2. ~~3.~~ Receiving, opening, and reading bids.

3. ~~4.~~ Scheduling and coordinating Human Rights Department reviews.

4. ~~5.~~ Maintaining the formal contract file with complete documentation including: bid evaluation, plans and specifications, and project acceptance/performance appraisal.

5. ~~6.~~ Maintaining a standard set of "General Conditions" for public improvement contracts.

We believe City departments should be responsible for the following activities:

1. Preparing and reviewing plans and specifications and circulating plans to other affected departments.

2. Evaluating bids.

3. Awarding the contract.

4. Administering the contract.

   a. Day-to-day project management.

   b. Inspections and inspectors' notes.

   c. Preparing and approving alterations to the contract terms.

   d. Preparing estimates of work performed and monthly contract payments.

   e. Checking contractors' weekly payrolls to ensure that prevailing wage requirements are met.

5. Performing the final inspection and approving final acceptance of work.

6. Performing a post-completion evaluation of contractor performance and circulating the evaluation to ~~[illegible]~~ Department of Contracting and to other contracting departments.

This recommendation contemplates that the departments will assume many of the contracting functions currently performed by BPW. More importantly, however, the Board should assume more responsibility for defining departmental practices and for monitoring departmental activities. We believe monitoring must be performed on an ongoing basis and recommend the establishment of a monitoring/auditing group. Monitoring should be performed on an ad hoc basis and include review of plans and specifications, review of bid and award procedures, review of contract administration, and review of final acceptance of completed work.

We recommend that the Comptroller's Office exercise control over payments for public improvements. The Comptroller should have a list of all departmental personnel authorized to approve payments and change orders and should check for necessary signatures. The Comptroller should receive a copy of all change orders and before making disbursements should verify that the contract total is not exceeded.

PRINCIPLE 3 - COMPETENCE OF PROCUREMENT PERSONNEL

Description of the Principle

Competence can be defined as honesty, professionalism and expertise. Where there is professionalism and conformance to technical and ethical standards, procurement can work to award contracts impartially, to reduce costs of City operations, and to instill confidence in the integrity of government.

Description of Existing Practices

Contracting for public improvements is a highly technical area. Developing plans and specifications, developing contract documents, administering the contract, and inspecting the work performed all require a great deal of expertise in various areas. Applying necessary knowledge and experience in the City's contracting process is vital if the City is to successfully administer contracts.

BPW staff is composed of clerical positions, reflecting the current functions performed by the office. Chart IV, provided by BPW, shows the organization and functions of BPW. BPW staff is primarily engaged in contractual record-keeping, BPW correspondence, and activities related to street use. Reviewing specifications is one of the activities listed; however, the review is performed by an Assistant Secretary, Administrative Specialist II, and an Administrative Specialist I who do not perform a technical review.

We found that, for the most part, the Engineering Department and City Light prepare their own plans and specifications and impact work completed. Other departments, principally Parks, Building, Seattle Center and the Department of Community Development, rely extensively on outside architectural and engineering firms to develop plans and specifications and to inspect the contractor's work. In addition, departments use interdepartmental agreements for inspector services; e.g., Water used a City Light inspector and Seattle Center used a Building Department inspector.

We are not able to independently assess the quality of technical skills within the City departments. Indications of technical expertise from other sources were contradictory:

1. The inspectors interviewed had several years of experience and had been involved in other areas of contracting, i.e., estimating and accounting. They appear to be very dedicated and conscientious about their responsibility.

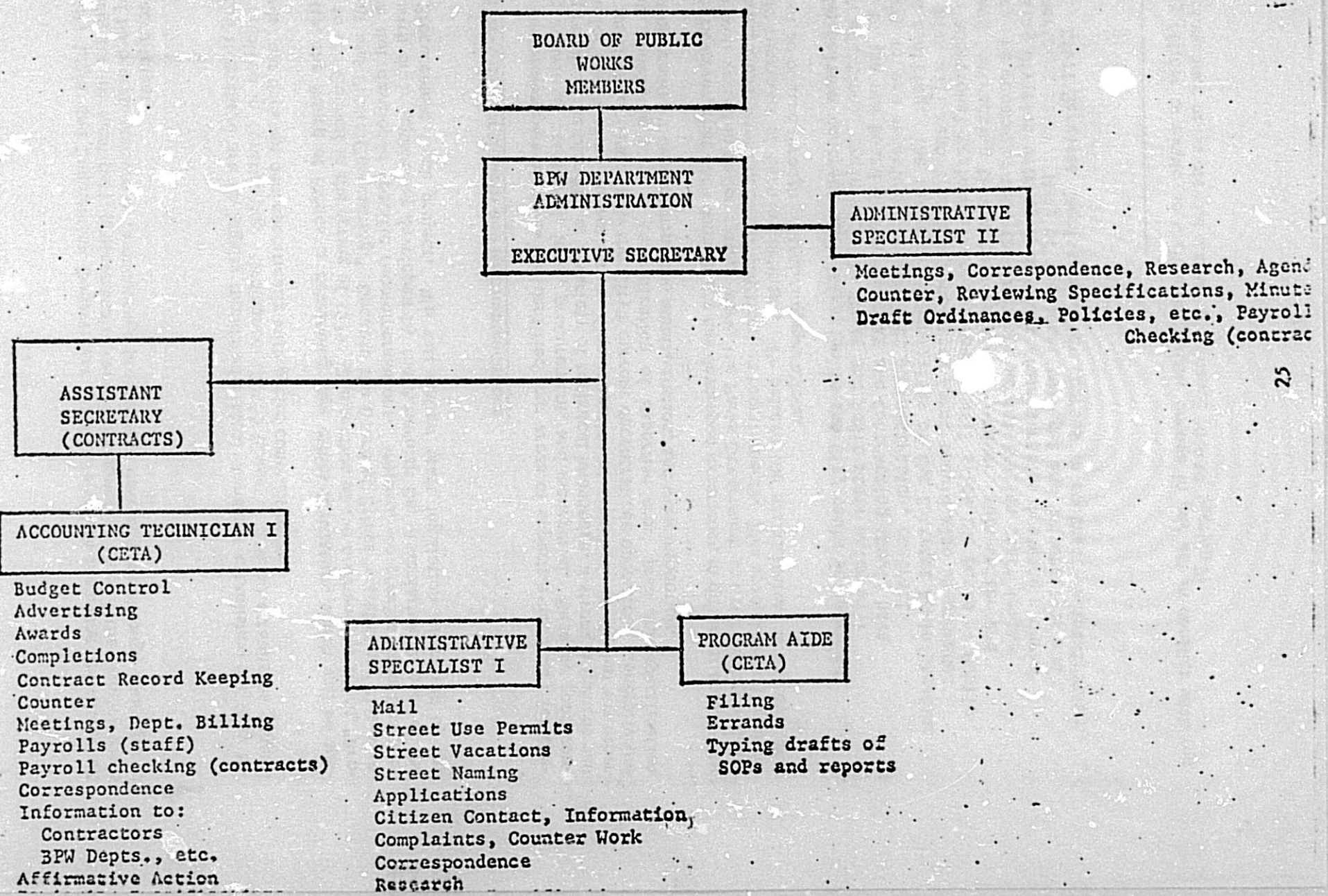
2. The contractors' evaluation of the competency of City employees was generally complimentary. Comments on the responsiveness of City employees were split; most had compliments, some had complaints. Some of the contractors believed that City inspectors were overly skeptical and that distrust was not warranted. In general, it was clear that City personnel have earned the respect of the local contracting industry. However, the president of one firm stated that the City staff were incompetent; in comparison, the County, Port and State did a more capable job.

3. A State Highway Department review of one project's quality control found a considerable lack of plan and specification familiarity by Engineering Department project construction personnel. (Discussed further on page 32.)

CHART IV

BOARD OF PUBLIC WORKS DEPARTMENT

ORGANIZATION CHART - 1978



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4. City Light and Engineering Department staff involved in preparing specifications are, for the most part, professionally certified engineers. One of the primary goals of both organizations is to encourage professional development through training and recruitment.

Ethics

We noted that there are no legally mandated ethical standards established for City officials involved in contracting. Ordinance 100435 (Code of Ethics) establishes general standards[1] but does not deal specifically with public contracting.

Currently, the Board of Ethics is developing new ethics legislation, which will be submitted to the Council in the spring of 1979. One section of the ordinance is titled, "Procurement and Public Contracting." Because the Board of Ethics is addressing this area, we have not developed specific recommendations. Instead, we provided the Board of Ethics with draft legislation developed by the American Bar Association as part of the Model Procurement Code project. We will review draft legislation submitted by the Board.

COMPETENCE - Conclusions and Recommendations

~~Recommendations on page~~ We identified four areas of expertise necessary for contracting activities: technical, legal, procurement, and managerial. Because good contracting requires the blending of a variety of technical knowledge, a strong argument can be made for centralizing the activities. Centralization of expertise, more than any other reason, justifies a change from the City's current decentralized operation. Generally the functions benefiting from a centralization of expertise are: plan and specification preparation, contract development and administration, and work inspection.

We note, however, that each department has developed experience in different areas; City Light is well versed in power system work, the Parks Department in landscaping, and the Engineering Department in street construction requirements. This specialization reflects the basic functions of each department. We believe the specialization is valuable and should not be diluted through centralizing operations.

We believe contract administration in the City could be improved through additional training. The Rules and Audit staff which will report to the new Board of Public Works and Contracting should have knowledge of and experience in contract administration, contract law and auditing. The technical capabilities of the Contract Administration staff which will report to the Purchasing Agent should also be upgraded through additional training. These changes will allow the Board of Public Works and Contracting to function as a policy-maker, rule-setter and monitor. We recommend that the Contract Administration staff in the Purchasing Division develop a contract administration training program for department staff. Many of the local colleges and universities and the U.S. Civil Services Commission offer courses in contract administration.

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[1] No City officer or employee shall intentionally engage in any act in conflict with the performance of his official duties. (Ordinance 100435, Section 7)

PRINCIPLE 4 - EFFICIENCY AND EFFECTIVENESS

Description of the Principle

Efficiency can be defined as conducting the procurement process in the least costly way possible. Efficiency requires that procurement officials perform with a minimum of waste, expense, and unnecessary effort. Effectiveness in procurement occurs when desired quality objectives are achieved. Effectiveness includes the concept of value.

Responsiveness and Flexibility

The elapsed time from the circulation of plans and specifications to the time the contract is signed is 35-45 calendar days. Approximately half of this time is consumed by mandated time frames. The old Charter required a minimum of 5 days for advertising, a minimum of 4 days between close of advertising and bid opening, and a maximum of 10 days for the contractor to sign the contract after notice of award. Other steps require time also; approximately 7 days are required for circulation of plans and specifications to BPW member departments and 7-14 days are required to evaluate bids, hold the HRD pre-award meeting and award the contract at a BPW regular meeting. Chart V graphically shows this process.

We discussed the process used by BPW with various City officials. Generally, City officials credited the Board with an efficient and effective operation. Only one minor problem was noted: BPW formally approves plans and specifications in its regular weekly sessions. Occasionally, days are lost between the time the departments complete their review of the plans and specifications and the time BPW formally approves the plans and specifications.

BPW has established a "short bid" procedure for expediting certain projects. If a project does not affect the operations of other departments (i.e., duct work in the Municipal Building does not affect the operations of Light, Water, Engineering or Parks), BPW will not circulate the plans and specifications to member departments, saving approximately 1 week in processing time.

A criticism voiced by virtually all of the contractors interviewed is the inordinately long final payment process. For the contracts reviewed, the average number of days between the date of project acceptance and the release of the retained amount was 147 days. Retained amounts will not be released by the Comptroller until he has received the following:

1. A letter from the involved department 30 days after project completion which requests the Comptroller to make payment.

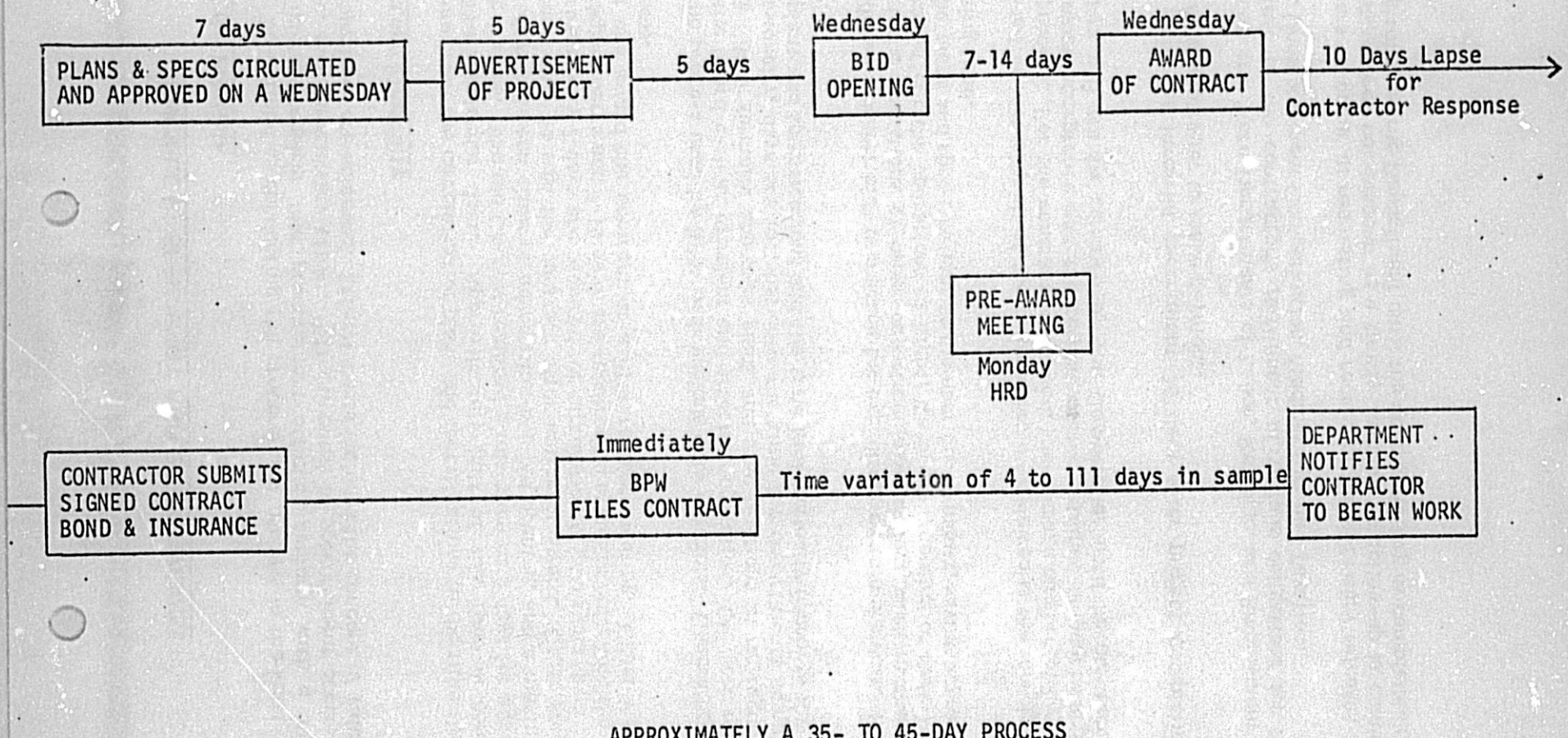
2. Letters from the State Departments of Labor, Revenue, and Employment Security which attest to the contractor's fulfillment of various obligations for Industrial Insurance, Unemployment Compensation, Medical Aid, and Taxation.

The delay appears to occur in requesting and receiving the necessary releases from the State. If the State does not respond in a timely fashion, no follow-up is conducted by either the Comptroller or the Department until the contractor begins complaining.

CHART V

BOARD OF PUBLIC WORKS CONTRACTING PROCESS

ELAPSE OF TIME



APPROXIMATELY A 35- TO 45-DAY PROCESS

Quality

The quality of the plans and specifications directly relate to the quality and cost of the end product. In addition, bad specifications can result in disputes or litigation.

Plans and specifications used in the City's public improvements contracts have a dual purpose: to provide a common understanding of what is desired so prospective contractors can prepare and submit competitive proposals; and to serve as the contractual scope of the work.

Many public improvements can be specified through reference to established standard specifications and blueprints. APWA Standard Specifications and the City Supplement to Standard Specifications were financed and published by authority of the Washington State Highway Commission. The Washington State Chapter of the APWA prepared the 1975 edition which is cu ntly used. The Engineering Department prepared the City Supplement to Stanc J Specifications; BPW examined and approved the supplement in 1976.

The City's specifications preparation process for public improvements is characterized by its highly decentralized nature. Although the Board of Public Works is nominally a centralized contracting authority, the Board's staff has virtually no involvement in the specification development process. Individual departments are unilaterally responsible for specification development. The involvement of the Board of Public Works in this process is almost exclusively limited to requiring that member departments circulate draft plans and specifications to all other member departments and to insuring that certain pre-printed materials such as bidder's checklists and bid bonds are contained in all project specifications.

The detailed specifications that form the scope of work for each particular project and the special contract provisions are prepared independently by individual departments or their consultants. As a result of this decentralized system, there is rather noticeable diversity in both the substance and format used in specifications among Board departments. Specifications vary in detail and quality from a 100-page detailed description for a $10,000 tree planting project to a relatively brief description for a sidewalk replacement contract. Within any department, there is somewhat higher consistency, particularly those departments which develop their specifications internally. However, in departments that rely heavily on consultants to develop specifications, internal consistency is absent.

Consultants developed or assisted in the development of approximately 40% of the plans and specifications for the projects reviewed. The Board staff indicated that this percentage is representative of normal activity.

No two specifications included in our review were prepared by the same consultant. Some specification uniformity is added by the Board requirement that all public improvements specifications incorporate, by reference, the Standard Specifications prepared by the American Public Works Association (APWA) and the City's supplement to these standard specifications. However, two of the specifications reviewed did not include a reference to the APWA Standard Specifications; rather, the City's General Conditions for Construction and Maintenance of Municipal Facilities was referenced.

Three of the contractors questioned indicated that they had not read the APWA Standard Specifications or the City's Supplement and had relied on the specific project plans and specifications as a guideline for performing their work. Although the APWA specifications are usually referenced in the City's specifications, they are not provided to prospective contractors along with the project plans and specifications.

The specialized contract provisions included in the City's specifications for public improvements are also widely divergent among Board departments. Board departments have individually developed standard "boiler plate" contract terms.[1] Further, contract provisions used by departmental consultants include an additional variety of unique contracting terms.

The Board staff provides a two-page form agreement with a signature page which accompanies the special contract terms provided by the department or the consultant. The signature page of the contract includes the statement "approved as to legality," which is signed by BPW's Executive Secretary. The City Attorney is sometimes requested to provide informal legal advice to various City departments when preparing such form contracts, but has never been required to approve the form of these contracts.

We contacted two Assistant City Attorneys involved in contracting litigation who indicated that the contract terms should be completely renovated. They have indicated that certain clauses and specifications are either unenforceable, illegal, or inconsistent with current case law. One Assistant City Attorney felt that the recent increase in claims and litigation in City public improvements contracts could be reduced with more carefully prepared contracts.

One indication of whether City-prepared specifications are clearly defined is how many addenda or errata are necessary during the bidding process to clarify questions or confusions. Another indication is the number of change orders requested by the contractor for work that could have been reasonably anticipated during the design process. The Construction Division of the Engineering Department estimates that approximately half of all change orders experienced would not have been necessary if the specifications had been more thorough, although the Engineering Department believes the cost required to refine the specifications may not be recovered in reduced change order costs. For the contracts reviewed, the average number of errata produced prior to accepting bids is somewhat less than two. The average number of change orders was greater than six. Public improvement contracting authorities contacted from King County and the State Transportation Department Construction Division indicated that the number of change orders was higher than the averages (1-2 change orders) they have experienced. Importantly, the number of change orders required for projects involving consultant-developed specifications was approximately twice the number required for specifications developed by City employees.

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[1] We noted that specifications allowing overhead and profit varied greatly among the departments. This problem is discussed on page 17 and we recommended consistent overhead and profit allowances.

The responses of the contractors questioned about the quality of the City's specifications varied widely. The majority of the contractors felt that the City's specifications were fairly typical for the industry and were neither relatively better nor worse than other government agencies. Other contractors indicated that the quality of the City's specifications was somewhat lower than the average expected.

The capability to produce specifications for public improvements exists (on a large scale) only in the Engineering and the Lighting Departments. Other departments either request the Engineering Department to prepare specifications for their public improvement contracts or rely almost exclusively on consultants.

While there are some unique electrical engineering aspects to the Lighting Department's projects, and some unique traffic engineering concerns in road construction, we were struck by pervasive similarities in the activities of the two departments. For example, non-engineering aspects of preparing and distributing an invitation to bid for an underground wiring project and a sewer project are almost identical. Many of the same contractors are currently required to contact both the Lighting and the Engineering Departments in order to secure specifications, and become pre-qualified for similar construction work.

We attempted to determine if any specification requirements were unduly restrictive or anti-competitive. Most of the bidders interviewed felt that the City's specifications did not include any provisions which would exclude them from participation in the bidding process. However, many expressed concern about the use of trade name in lieu of material specifications. The majority indicated that they would rather have the City develop material specifications which include objective measures of the desired characteristics or of performance, rather than a required trade name with the caveat "or equal." While they do not object to a list of approved products that meet the specifications as a guideline, the "or equal" is often difficult to determine.

Plans and specifications do not receive any review independent of the producing departments before issuance. Although the plans and specifications are circulated to BPW member departments, the departments perform a limited review for impact on their operations; they do not perform a detailed review of the technical requirements. The Engineering Department has an internal review procedure where plans and specifications are reviewed by the Estimates and Specifications Division and the Construction Management Division. Personnel in the Construction Management Division, responsible for ensuring that the project is constructed according to the specifications, told us that generally they had one week to review the plans and specifications and that a thorough review is not possible within that time period.

We do not have the technical expertise to review the adequacy of technical specifications which are prepared, in large part, by professional architects and engineers. However, we located one study which critically reviews technical specifications. In 1977, the Washington State Department of Transportation conducted a review of quality control on an Engineering Department street project. The review disclosed a considerable lack of plan and specification familiarity by the project construction personnel. The review disclosed that:

"Due to an oversight during plan preparation, the gradation specification was omitted for the crushed gravel. Project and materials laboratory personnel also failed to recognize this deficiency. The laboratory sampled and tested the crushed gravel, compared the results with a non-existent specification, and found that it did not meet specifications, but took no corrective action."

The review concluded, "The City is attempting to maintain quality control on this and other projects with a limited number of personnel. They appear to be relying heavily on past experience with source aggregates and asphalt suppliers' products, rather than performing the necessary tests....."

Inspection of the contractor's performance is the key to ensuring the contractor performs as required and the City receives full value as defined by the plans and specifications. In City Light and Engineering, the inspectors are employed in their respective construction divisions. Depending upon the size of the project, there may be a full-time resident engineer or inspector who may or may not have subordinate assistants. In other departments, the inspector may have the responsibility for monitoring a variety of concurrent projects. On large City jobs, the contractor is required to furnish a field office with complete office equipment for use by the City's staff assigned to the project. The assigned inspector's typical responsibilities include:

- Maintaining a daily diary of work performance;
- Initiating change orders;
- Performing physical inspection of materials;
- Ordering material testing when necessary;
- Acting as liaison with the design team for interpreting plans and specifications, and
- Preparing the monthly estimates of work completed which serves as the basis for making payment.

The quality and thoroughness of contract administration depends directly on the performance of the inspector. Neither the Comptroller nor the Board of Public Works staff perform any regular or routine view of the determinations made by the inspectors. Various departments perform different internal management review and approval of inspector reports; however, none that we have observed perform any periodic audit of the accuracy of the inspector's notes.

Individual inspectors' review of a contractor's performance is determined completely by internal departmental procedures. The only department that has developed a written procedure for this process is the Lighting Department. The inspectors interviewed appear to be very dedicated and conscientious about their responsibility. Some believed that most contractors have to be very carefully watched or they will intentionally deviate from the specifications. Some of the contractors contacted believed that the City inspectors were overly skeptical and that such distrust is not warranted. Their belief was that a more trusting relationship and cooperative relationship would be more productive.

Process Cost

One of the simplest ways to reduce process cost is to reduce the number of contracts requiring competitive bidding. However, this solution directly conflicts with the principle of impartiality and the public policy favoring competitive bidding. Generally, governments resolve this trade-off by excluding small, straightforward acquisitions from formal competitive bidding procedures.

Costs associated with formal competitive bidding are related to:

1. Soliciting bids
   a. Advertising costs ($120 -$150 for a 5-day ad)
   b. Administration; placing the advertisement, reviewing and paying the bill.
2. Answering inquiries and distributing plans and specifications.
3. Receiving, opening, and reading bids.
4. Evaluating bids and notifying bidders of the result.

We reviewed the dollar spread between the lowest bid and the highest bid for the 15 contracts in our review. For six contracts awarded amounting to less than $26,000, the difference between the lowest bid and the highest bid ranged from $1,480 ($5,580 - $4,000) to $22,671 ($48,502 - $25,831). Because bid amounts show a significant variation and the resulting cost savings (defined as the dollar difference between the highest bid and the lowest bid) varies, we believe there should be no small amount exclusion for public improvements.

The Board of Public Works requires performance bonds in the amount of 100 percent of the contract price. The Board awards contracts amounting to $20-25 million per year. Premiums on performance bonds cost the contractors 1.0-1.5 percent of the bond amount, about $200,000 to $375,000 per year in the aggregate. The contractors pass these costs through to the City.

The purpose of performance bonds is to insure that the City will be paid to have a job completed if the contractor fails to complete the job according to specifications because of financial troubles, frequently brought about because the contractor's cost-to-complete exceeds the contractor's resources. In short, the City requires performance bonds to protect itself against cost overruns. A second benefit of the bonding process is the screening function; by requiring performance bonds, the City transfers to the bonding company the responsibility for deciding who is and who is not financially qualified to do business with the City.

The amount of insurance actually needed by the City is a function of the risk associated with each individual project. Some projects are very risky, with a high potential for cost overruns. In other projects, where costs can be predicted relatively accurately, cost overruns are not so likely, and such projects would be considered lower risk projects. (It is not clear whether the bonding companies themselves take the project's risk into account; according to the contractors interviewed, the bonding company's primary concerns are the contractor's financial position and the size and general nature (but not specific risks) of the project.) By requiring a 100 percent performance bond on all projects, the City is probably over-insuring on some projects and paying higher-than-necessary costs.

Performance bonds have served useful purposes for a long time, so long that it appears that no one seriously questions whether the process is still appropriate. For reasons of cost and for its impact on small businesses (see discussion under Social and Economic Policies), it is recommended that the Purchasing Division's Risk Manager consider the use of performance bonds and determine whether the use is still appropriate and cost-effective.

Another aspect of process cost is the pricing agreement cited in the contract. The City uses two basic pricing agreements: fixed-price (lump sum) and unit-price. Fixed-price is defined as a firmly committed amount to complete a given scope of work that is not subject to adjustment because of costs experienced by the supplier in the performance of the agreement. Unit-price is defined as a firmly committed price per unit of goods or services in accordance with a detailed schedule of units. Administrative costs associated with each pricing agreement vary because different administrative activities are required. According to the Engineering Department, fixed-price contracts require much more explicit and detailed plans and specifications than do unit-price contracts. If a contractor is estimating a total fixed-price based upon project plans provided by the City, any errors or omissions on those plans might result in a costly miscalculation of the materials and labor required to complete the project. If the City overestimated, the City is not likely to receive a contract price reduction. However, if the City underestimated, the contractor might be entitled to increased compensation through a change order and the amount of that compensation would be determined on a non-competitive basis. The unit pricing approach includes a built-in mechanism for increasing or decreasing the number of units at a pre-determined and competitively established rate. This approach precludes many of the arguments that might arise as a result of a contractor's assertion of errors or ambiguities in the City's plans and specifications. The contractor is simply paid for the actual units completed regardless of any errors in the City's estimates. The drawback to unit-price contracts is that it transfers the authority and responsibility for determining contractual payment to the individual inspectors. Their calculation of the units of work completed actually determines the amount of compensation.

One contractor interviewed believes the unit-pricing approach is non-competitive. The contractor said that unit-prices favored those contractors who could more accurately estimate actual quantities than City estimators. The bidding process is circumvented by strategically bidding higher for under-estimated quantities and lower for over-estimated quantities. This phenomenon is best illustrated by Chart VI. In this example we have assumed a project that includes five unit prices. We have randomly established the actual quantitites to be 25% higher than the City's estimates for two of the units and 25% lower for three of the units. Contractor A bids a price of $1.00 to complete each of the five work units. Contractor B intentionally increases or decreases the unit bid from real costs using the previously mentioned strategy. Contractor B appears to have provided a lower bid than Contractor A using the Board of Public Works method for comparing bids. However, if both contractors actually performed the job, Contractor B would have been paid more. The contractor interviewed contended that knowledge of any errors in City estimates by a clever bidder can be used to minimize the dollar amount of a bid while maximizing the actual dollar return.

The average difference between the amount actually paid and the bid evaluation estimate for all the completed projects reviewed was 19.5%. While some of these changes are due to genuine unforeseen circumstances or changes in the scope of work, most reflect the difference between the City's estimate of units and the actual units used.

CHART VI

HYPOTHETICAL UNIT PRICE BID VS. ACTUAL COMPENSATION

Contractor A

Unit	City Estimate of Quantity	Bid Amount ($/unit)/total	Actual Quantity		Bid Unit		Actual Compensation
1	200	(1.00(/200.00	250	x	1.00	=	250
2	150	(1.00)/150.00	110	x	1.00	=	110
3	100	(1.00)/100.00	125	x	1.00	=	125
4	100	(1.00)/100.00	75	x	1.00	=	75
5	60	(1.00)/ 60.00	45	x	1.00	=	45
		$610.00					$605.00

Contractor B

1	200	(1.15)/230.00	250	x	1.15	=	287.50
2	150	(.85)/127.50	110	x	.85	=	93.50
3	100	(1.15)/115.00	125	x	1.15	=	143.75
4	75	(.85)/ 85.00	75	x	.85	=	63.75
5	60	(.85)/ 51.00	45	x	.85	=	38.25
		$608.00					$626.75

One method to hinder manipulation of the bidding process is to require negotiation of unit-prices if the variation between original quantity estimates and actual quantities used exceeds a specified maximum. Another approach is to require that all bidders provide a fixed-price for completing the work contained in the plans and specifications, and to also provide unit-prices which would only be used for unanticipated changes in the work.

EFFICIENCY AND EFFECTIVENESS - Conclusions and Recommendations

One of the most important attributes of a successful contracting process is the ability to develop quality plans and specifications.

The American Society of Civil Engineers recommends that an organization maintain a master specification that includes all possible provisions and that is constantly updated and reviewed for consistency with current standards and case law. They recommend avoiding the practice of copying large portions of previously used specifications because changes to various standards and the effect of recent judicial and legislative actions can be dramatic and frequent. The authors explain that it is more efficient to have a technical staff working to maintain one master specification than a variety of individual documents.

We recommend that the Engineering Department be responsible for maintaining all standard plans and specifications used by City departments in public improvements contracts. The awarding departments would be responsible for developing plans and specifications and for using the standard plans and specifications when appropriate. The Engineering Department should review all plans and specifications developed by the departments and incorporate them into the City's master specifications as appropriate.

We recommend a review of the use of unit-price contracts and establishment of a negotiation requirement when the variance between estimated quantities and actual quantities exceeds a specified maximum.

PRINCIPLE 5 - SOCIAL AND ECONOMIC POLICIES

Description of the Principle

Annually, the City of Seattle contracts for millions of dollars of public improvements. This contracting activity provides the City with an opportunity to impose a number of socio-economic policies on potential contractors by including provisions in bid requirements and contract specifications with which contractors who desire to participate in a portion of the City's business must comply. By utilizing its financial leverage, the City can effect social change in the private sector of this region's economy, and to a lesser extent, in the economy of the nation.

The City has established certain social and economic policies which are implemented in part through the City's procurement activities. For example: (1) contractor prequalification requirements relative to affirmative action; (2) local economic development policies; and (3) minority business preferences. Note that implementation of the social and economic policies may conflict with other principles, i.e., impartiality, efficiency and effectiveness.

Description of Existing Laws, Procedures and Practices - Local Economic Development Policies

Local economic development policies are established in State law, City Charter, and City ordinances. The policies generally relate to encouraging the use of local or state businesses, establishing residency requirements, and requiring prevailing wages to be paid.

State Law

RCW 39.16 states that at least 95% of a contractor's work crew must be state residents where more than 50 people are employed; and 90% where 50 or less are employed. RCW 39.12 requires that the prevailing rate or wage (as determined by the Department of Labor and Industries) be paid on all public works and building maintenance contracts. RCW 18.27 requires the issuance of a State Department of Labor and Industries certificate of registration before bidding on any contracting work.

City Law

Charter Amendment #1 requires that anyone employed under a public works contract be paid at not less than the prevailing rate of pay for City employees performing like duties. Contractors are required to obtain a City license under the provisions of Ordinance 72630.

Description of Existing Laws, Procedures and Practices - Anti-Discrimination and Affirmative Action

Anti-discrimination and affirmative action requirements relative to contractor employment practices are established in federal and State law and in City ordinances.

Responsibility for monitoring the City contracting process and City contractors for compliance with the provisions of Ordinance 101432 are placed in the Human Rights Department (HRD). The powers and duties of the Director of HRD include:

1. Assist contracting authorities in preparing anti-discrimination and equal employment opportunity contract specifications.

2. Advise contracting authorities on the equal employment opportunity record of contractors.

3. Report findings of discrimination to the contracting authority.

4. Recommend equal employment opportunity goals (i.e., percentages or ratios) to the contracting authorities.

5. Adopt rules and regulations to implement the provisions of Ordinance 101432.

6. Investigate contractor's compliance with Ordinance 101432.

7. Review documentation submitted by contractors.

8. Assist contractors in complying with the provisions of Ordinance 101432.

The Office of Women's Rights (OWR) participates in the contract compliance effort under an annual memorandum of understanding between HRD and OWR. Ordinance 101432 does not authorize OWR to engage in contract compliance monitoring nor does the ordinance state that HRD is allowed to delegate its authority. OWR has one individual who devotes half of his time to contract compliance efforts. Monitoring is only conducted on public improvement contracts at present, but other types of contracts will be monitored in the future.

Contract compliance consists of these basic steps:

1. Pre-award discussions are held with each contractor. The contractor-submitted documentation, showing the affirmative action steps that the contractor has taken and will take as a part of the contract with the City, are reviewed with the contractor.

2. The Contract Compliance Officer reviews the periodic reports submitted by the contractor which show the utilization of women and minorities in the contractor's workforce.

3. Visits to the contractor's work site are conducted to verify the accuracy of the contractor's periodic reports.

4. Discussions are held with contractors who are not making a "good faith effort" to comply with affirmative action goals. If discussions do not solve the problems, formal proceedings that could result in contract suspension can be initiated.

Description of Existing Laws, Procedures and Practices - Encouraging the Use of Women and Minority Business Enterprise

Two policy statements currently exist regarding the use of women and minority business enterprises. The City has not adopted an ordinance covering this topic.

Board of Public Works Policy for Utilization of Minority Business Enterprises

BPW adopted a policy in May 1978, requiring that all prime contractors bidding on BPW projects agree to use their best efforts to utilize minority (including women) businesses as subcontractors on BPW contracts which may be awarded to them. The contractor is required to actively seek bids from women and minority businesses. If the contractor demonstrates a diligent search for qualified women and minority businesses has been conducted, he will be considered to be in compliance with the policy. This policy is included in all specifications for public works projects.

Mayor's Policy Statement Number 77-100: Utilization of Women's and Minority Enterprises

On December 20, 1977, the Mayor issued a policy which states that the City of Seattle will ensure full participation by women and minority businesses in City contracting activity.

Primary features of the policy statement are:

1. The City will actively solicit bids and proposals from women and minority businesses.

2. The City will require prime contractors to actively solicit subcontractors on City projects.

3. The City will provide technical assistance to women and minority businesses in the procurement of City contracts.

4. The City will establish separate goals for the utilization of women and minority businesses.

5. The Directors of the Human Rights Department and the Office of Women's Rights are responsible for the implementation of their respective programs.

6. City contracting authorities are to cooperate in the implementation of this policy.

As a part of our study, we reviewed the legislation that has been adopted by two other governments, the City of Berkeley, California and King County, Washington. Both of these jurisdictions have adopted legislation imposing non-discrimination and affirmative action requirements on contractors who wish to do business with these jurisdictions. This legislation deals with the employment practices of contractors and not the contractors' ownership characteristics. The discussion which follows highlights the primary features of the legislation adopted by these jurisdiction relating to public improvements contracts and focuses on the primary differences between Seattle's Ordinance 101432 and the legislation of these other jurisdictions.

In October 1969, King County adopted an ordinance requiring contractors to refrain from discrimination and to take affirmative action in their employment practices on all County contracts. Many provisions of this ordinance and the City's Ordinance 101432 are very similar; however, there are some significant differences. Differentiating features are as follows:

*A "Certificate of Compliance" must be filed annually which indicates "minority persons which the firm or organization presently employs or has as members, and what affirmative action, if any, the firm or organization will take in the succeeding year to increase its minority representation." This certificate is a kind of pre-qualification. Seattle requires pre-qualification on contracts for supplies, materials and equipment and requires all other types of contractors to submit documentation of present and planned employment profiles. This information is reviewed by DHR and discussed with the contractor at a pre-award conference. These actions serve to "pre-qualify" a contractor.

*Certificates of Compliance are only required from firms and organizations with 25 or more employees or members, or contracts with King County and/or yearly sales to King County of $10,000 or more. Other firms are considered to be exempt.

*Certificates of Compliance are to be filed by all non-exempt firms annually before December 31.

*Public Works contracts exceeding $100,000 require an updated Certificate of Compliance in addition to the annual certificate which will cover the duration of the project if it is less than one year. This certificate will indicate specific levels of minority persons in different job classifications which the firm or organization will employ or include in its membership for the period of the contract.

*Enforcement provisions include the following:

- Suspension or cancellation of the contract in part or in whole;
- Exclusion from future contracts until demonstration of compliance;
- Enforcement of any provision of the contract providing other remedies, such as penalties or liquidated damages, for violation of contractual provisions.

The Berkeley City Council adopted Resolution 46,913 in November 1974. This Resolution has as its primary intent to assure that contractors doing business with the City of Berkeley do not discriminate and are taking affirmative action in their employment practices.

Primary features which differentiate this Resolution from Ordinance 101432 are as follows:

*Any contractor who submits a bid on a City contract greater than $3,000 or who receives business of the City in excess of $3,000 during a fiscal year shall submit an affirmative action program to be approved by the Contract Compliance Officer.

*The affirmative action program shall include goals, methodology and implementation timetables.

*The City's goal is ethnic/sex workforce parity. Goals for each contract are dependent on the ethnic/sex characteristics of the area surrounding the firm's location.

*Workforce parity applies to all workforce levels, categories, crafts, skills and apprenticeships.

*"Person-days" or "person-hours" are specified as the means of measurement for compliance.

*The "person-hours" for minority work must be substantially uniform throughout the length of the contract for each of the trades.

*Transfer of minority employees from employer to employer or from project to project for the sole purpose of meeting the contractor's or subcontractor's goal shall be a violation of the Resolution and subject to the sanctions of the Resolution in addition to such other remedies as may be available.

*Exemptions from the requirement to submit an affirmative action program include:

- Emergency requisitions;
- Bids or annual business less than $3,000;
- Firms with 10 or fewer employees.

The contractor in the second and third exemption category must still submit an Affirmative Action Workforce Profile.

*Penalties for non-compliance include:

- Cancellation or suspension of the contract;
- Monetary penalties of $200 or 1% of the total contract amount, whichever is more, for each working day of non-compliance;
- Ineligibility for City contracts for a period not to exceed one year;
- Other legal or equitable remedies available pursuant to the contract or operation of law.

Current Status of the Affirmative Action Effort in City Contracting

HRD is charged with the implementation of the contract compliance program. The HRD Contract Compliance Division consists of three Contract Compliance officers, who have the following basic duties and responsibilities:

- Inform contractors of their responsibilities under the contract in regard to equal employment opportunity.
- Review documentation submitted by the contractor before commencement of a contract and during the term of a contract; determine if the contractor is making a good faith effort to comply with the contract provisions by reviewing contractor-submitted reports.
- Make on-site field visits to the contractor's premises or project location to verify the accuracy of contractor-submitted reports.

- Inform contracting authorities (City departments) of their responsibilities and procedural duties in the contracting process regarding Ordinance 101432.

- Assist contractors in complying with contract requirements.

- Hold discussions with or bring action against contractors when they are not in compliance with contract requirements.

- Compile monthly, quarterly and annual statistical reports which show the status of the contract compliance efforts.

The current status of the contract compliance program is presented in the following discussion.

Statistical Reports

The HRD compiles statistics concerning the levels of employment for women and minorities on City contracts. The methods used to compile statistics have changed in recent years, so current statistics are not comparable to earlier statistics. However, HRD believes that the percentages for women and minorities have been increasing, but problems still exist as to the distribution of minorities and women among various job classifications. Minorities and women occupy a disproportionately large number of the lower salary and skill classifications.

Chart VII shows the statistics for minority and female representation for 1977 by type of contract. These are the latest statistics currently available.

CHART VII

Numerical and Percentage Representation of Minorities and Women on City Contracts for 1977

Contract Type	Number of Minorities	Percentage of Minorities	Number of Women	Percentage of Women
Public Improvement	106	25.2	26	6.1
General Support Services	137	47.9	26	9.1
Consultant	83	14.1	197	33.5
Lease & Concessions	137	13.7	413	41.7
Social Services	286	26.5	729	67.0
Purchasing*	NA	16.2	NA	24.1
TOTAL - All Contracts	746	22.2	1,390	41.3

*Percentages for minorities and women are estimates based on a sample of actual reviews conducted by Contract Compliance Officers rather than an actual measurement conducted for all contractors.

Ordinance 101432 allows the DHR to establish percentage goals for utilization of women and minorities on City public improvement contracts. The "Sworn Statement for Compliance with Section 4, Ordinance 101432," which is part of all public improvement contracts, includes the following goals:

YEAR	MINORITIES	WOMEN
1977	17.2%	13%
1978	17.8%	14%
1979	18.4%	16%
1980	19.0%	18%

Chart VII shows that 25.2% minorities and 6.1% women were employed on public improvement contracts in 1977. The percentage goal for women (13%) was not met and the goal for minorities (17.2%) was exceeded. Construction trades have been traditionally closed to women.

The three Contract Compliance Officers in the Contract Compliance Section of HRD currently monitor approximately 380 contracts, of which approximately 75 are public improvements.

Due to the large number of contracts, little emphasis has been placed on actual site visits to the contractor's premises or work site to verify the accuracy of the reports submitted by the contractor. Most staff time is occupied with desk reviews of contractor-submitted materials, pre-award conferences with apparent low bidders, compilation of statistical reports and phone conversations with contractors.

The lack of adequate on-site monitoring forces HRD to rely on the honesty and accuracy of contractor-submitted reports for verification of contractual provisions. These reports were instituted because contractors were not necessarily addressing the problem themselves. Discussions with Contract Compliance Officers indicate that it is not uncommon to find fewer women and minorities in a contractor's work force than contractor-submitted reports would indicate.

The Contract Compliance Division of the HRD has not developed a list of the most important criteria to use in selecting contracts for monitoring efforts. Possible criteria might include the dollar value of a contract, the number of the contractor's employees, and the duration of the project. Other considerations, such as the choosing between more initial screening of contractors during pre-award conference screening or greater emphasis on on-site inspections, may also be necessary.

HRD is presently trying to fully monitor all projects and as a result is spreading their limited staff resources too thinly over all contracts. This results in contract monitoring that appears to be adequate, but is less than adequate, specially for most of the larger public improvement contracts.

Level at Which to Monitor

The HRD presently receives a semi-monthly "employment profile" from each contractor. Employment profiles provide data regarding race-sex/job classification in a matrix format for all employees who worked during the reporting period.

The question has arisen concerning at what level of the contractor's operation should HRD monitor. Should monitoring occur at the level of the work crew on the City project, or should monitoring occur at the level of the contractor's entire work force at the local or national level? Documentation exists showing how contractors will have too few minorities and/or women in their work force, but will place minority employees in positions related to a government contract so that the firm will be in compliance with contract provisions if monitoring is conducted at only the most immediate or lowest work force level. This kind of selective placement is particularly easy in the construction industry.

Arguments in favor of allowing monitoring at the broadest, overall level of the contractor's operations include:

- This would close loopholes that the contractor can abuse.
- It would allow HRD to have more flexibility in determining at what level to monitor.
- It would place the City in the forefront of affecting change in the private sector of the economy by utilizing its substantial financial leverage to increase minority and female employment opportunities.

Arguments against allowing monitoring at the broadest, overall level of the contractor's operations include:

- The City does not have enough economic leverage to affect any real change.
- Some firms may not bid on jobs with these requirements or may increase the amount of their bids to cover anticipated increased administrative costs. This may result in the City paying higher costs for public improvements.
- The HRD may require additional staff to implement and monitor this change.
- Information concerning the contractor's employment practices on other non-Seattle projects is not pertinent to the City's contract. Only the employees directly involved on a City contract should be subject to monitoring.

The key monitoring instrument utilized by HRD is the "Employment Profile." The contractor inserts the number of personnel who worked on the contract in the appropriate block in the sex-race/job classification matrix.

Monitoring contractors who have a relatively static work force using this method would likely provide an accurate picture of the utilization of minorities and women. However, contractors in fields such as road construction often have a rapid turnover of employees, since union halls dispatch many employees for temporary assignments. The use of many short-term employees could distort reports showing the utilization of minorities and women. When monitoring is done on the basis of hours worked, the resulting percentage may be substantially different. An unscrupulous contractor could easily move minorities around from project to project to "satisfy" the requirements of several contracts while being in non-compliance on all contracts.

HRD and OWR have the responsibility for implementing the Mayor's Policy Statement Number 77-100: Utilization of Women's and Minority Business Enterprises. To date the two Departments have attempted to identify and compile lists of potential women and minority businesses in the Seattle area. Through a variety of meetings, mailings and other promotional devices, these two Departments have attempted to notify women and minority businesses that the City of Seattle encourages them to become aware of the contracts to be let and to submit bids on these contracts.

The Departments have also worked with the primary City departments that are involved in City contracting to inform them of the Mayor's policy. Departments are encouraged to seek out bids or proposals from women's and minority businesses.

Women and minority businesses must still be able to compete with other firms. This has proven to be an obstacle in that women and minority firms are usually smaller, newer firms which are often unable to compete for contracts with larger, more established firms.

The City policy which requires contractors to provide equal employment opportunity on City contracts comes into conflict with several contracting principles, at least in the short run. The principle of efficiency and effectiveness is in conflict with this socio-economic policy in several ways. Contractors may increase their bids to cover additional administrative costs and the costs of training women or minorities who may lack sufficient training. The City may also receive a lower quality product due to less skilled contract labor. Internal City administration costs will also rise to provide contract compliance services, which will mean less remaining funds with which to contract.

The principle of impartiality is violated when a contract is awarded on any other basis than accepting the lowest bid that complies with specifications after sufficient public notice has been provided. Contractors who refuse to comply with equal employment opportunity provisions may be able to offer a lower price for the same product or service.

These conflicts which result in higher costs are all only short run in nature. If the policy is effective in promoting equal employment opportunity, then our City's economic base will be broadened and all people will become part of the mainstream of Seattle's economy and Seattle will benefit because of it. In this light, the extra costs that we pay today are really investments in a better future.

Section 3.1 of Ordinance 101432 presently requires that all public improvements exceeding one thousand dollars must contain language stating that the contractor agrees to comply with all State and local laws prohibiting discrimination. These contracts are subject to bi-weekly reporting of employment profiles and are subject to on-site visits by Contract Compliance Officers to verify the accuracy of contractor-submitted employment profiles.

Enforcement Powers

The enforcement powers provided in Ordinance 101432 are not effective. The only real threat for non-compliance is suspension or cancellation of the contract. This has never occurred, probably because cancelling a contract is an extreme step which hurts the City as much as the contractor. Disputes are always settled at a step short of cancellation or suspension.

SOCIAL AND ECONOMIC POLICIES - Conclusions and Recommendations

Anti-Discrimination and Affirmative Action Requirements

Our observations in the preceding discussion lead us to conclude that changes need to be made to Ordinance 101432 and to the internal operating procedures of HRD in order to make contract compliance both more efficient and more effective.

We recommend that penalties in Ordinance 101432 for non-compliance be revised to include a monetary penalty of $200 or 1% of the total contract amount, whichever is more, for each working day of non-compliance. A provision should be added to Ordinance 101432 which could make a contractor ineligible for City contracts for a period not to exceed one year if a contractor is found to be in non-compliance.

We recommend that all monitoring on future contracts be done on the basis of hours worked. This would provide an accurate means of measuring the effectiveness of affirmative action efforts. Under the current system, the percentages have a high potential for inaccuracy and are possibly meaningless.

We recommend that HRD develop an internal procedure which describes the criteria to be used in selecting the contracts to which they devote their greatest efforts. These criteria should be chosen on the basis of how HRD effect the most significant change.

We believe that the level at which monitoring should be done varies with the type of contract. Therefore, we recommend that HRD develop procedural guidelines which state the type of monitoring most appropriate to a given circumstance and why. These procedures should provide HRD with sufficient flexibility to adjust the monitoring level according to such criteria as their internal staffing capabilities and the benefits to be derived from each specific stiutation.

We believe that all contracts should contain provisions that prohibit discrimination but should contain more reasonable limits on the size of the contracts subject to contract compliance monitoring. As we discussed in our comments on Berkeley and King County legislation, these jurisdictions have requirements varying from the City's.

The contract compliance effort is suffering currently from an attempt to do too much and consequently doing most monitoring at sub-standard levels. We believe that if the ordinance placed an emphasis on larger dollar value contracts and on contractors who employ larger numbers of people, the entire contract compliance effort would be more efficient and effective.

The alternative would be to leave the ordinance as it now stands and significantly increase the contract compliance staff so that the ordinance can be fully enforced.

We recommend Ordinance 101432 be amended to require reporting from contractors who have a contract or annual business with the City which exceeds $25,000 and who employ 25 or more employees. In addition, HRD should be required to periodically visit contractor work sites to determine that reports submitted accurately reflect the existing situation. All other contractors should be required to submit documentation showing that they are not discriminating in their employment practices.

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DISCUSSION DRAFT

CHAPTER II

SUPPLIES, MATERIAL AND EQUIPMENT CONTRACTING

PRINCIPLE 1 - IMPARTIALITY

Description of the Principle

Impartiality in governmental procurement can be described as the equitable and consistent application of policies and procedures to avoid favoritism to any potential supplier due to such factors as political, social, or economic influence on the personnel charged with procurement responsibilities. In general, impartiality can be achieved through an open solicitation of qualified suppliers with award made to the lowest and best bid/proposal as determined by an open, fair and consistent evaluation of price, quality, delivery criteria and any other criteria important in a given purchase situation.

Description of Existing Legislation, Procedures and Practices

City Charter

The City Charter contains certain provisions relevant to impartiality. These include:

1. all City purchases, sales or interdepartmental transfers of supplies, materials and equipment are to be made by the City Purchasing Agent;

2. the Purchasing Agent must secure bids before making any purchase or sale;

3. all contracts shall be awarded to the lowest and best bidder.

Article VIII, Section 16 of the City Charter established the Division of Purchases and established the basic duties and responsibilities of the Purchasing Agent, but left the details to be prescribed by ordinance.

Ordinance 102151

In 1973, the City Council adopted a comprehensive ordinance setting forth the specific procedures and duties of the Purchasing Agent. Ordinance 102151 contains several provisions which relate to the impartiality of the process. The following list is a summary of these ordinance provisions.

Expenditures for supplies, materials and equipment, the estimated cost of which exceeds $2,500 per item[1], shall:

- be on written contract

- be advertised in the City official newspaper

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[1]The ordinance defines "per item" as individual items on one requisition. See discussion on page 59 describing problems with this definition.

- require sealed, competitive bids to be opened in public at the time and place specified on the invitation to bid

- be awarded to the lowest and best bidder

Expenditures for supplies, materials and equipment, the estimated cost of which is less than $2,500 per item:

- can be made in the open market

- should be based on a minimum of three competitive bids

- shall be awarded to the lowest and best bidder.

Expenditures for supplies, materials and equipment, the estimated cost of which will not exceed $1,000 per item, may be made in the open market without bids whenever the Purchasing Agent determines that the delay and expense of handling bids on these small purchases would not be advantageous to the City.

Other provisions allow the Purchasing Agent to make "emergency" purchases in the open market without competitive bids. These purchases require that the using agency file a full explanation of the circumstances of such emergency. The Purchasing Agent is also responsible for assuring that bid specifications are unambiguous and not unduly restrictive. The use of brand names is to be avoided when possible.

Standard Operating Procedures (SOP's)

A brief outline of two departmental SOP's, relating to impartiality, are included below.

SOP 100-005, Purchasing Plan, requires that each department submit a quarterly breakdown of their supplies, materials and equipment needs for the next fiscal year to the Purchasing Division. This plan enables more items to be bid or to come under a contract for a fixed term (usually one year). This results in better planning of procurement needs by each department and allows Purchasing to obtain better prices on the items purchased.

SOP 100-010, Supply Contract, "X" Order, Petty Cash, and Unplanned Procurement, prescribes the procedures and responsibilities of the Purchasing Division and City departments in the use of purchasing methods other than standard requisitions. "X" orders are no longer used.

Review of Actual Practices

Procurement Methods

The following introductory discussion provides a basic overview of the steps and methods by which supplies, materials and equipment are procured. Three methods are used by the Purchasing Division:

1. Standard Purchase Order
2. Emergency Purchase Order ("R" Number)
3. Term Contract ("W" Contract)

- require sealed, competitive bids to be opened in public at the time and place specified on the invitation to bid

- be awarded to the lowest and best bidder

Expenditures for supplies, materials and equipment, the estimated cost of which is less than $2,500 per item:

- can be made in the open market

- should be based on a minimum of three competitive bids

- shall be awarded to the lowest and best bidder.

Expenditures for supplies, materials and equipment, the estimated cost of which will not exceed $1,000 per item, may be made in the open market without bids whenever the Purchasing Agent determines that the delay and expense of handling bids on these small purchases would not be advantageous to the City.

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Standard Operating Procedures (SOP's)

A brief outline of two departmental SOP's, relating to impartiality, are included below.

SOP 100-005, Purchasing Plan, requires that each department submit a quarterly breakdown of their supplies, materials and equipment needs for the next fiscal year to the Purchasing Division. This plan enables more items to be bid or to come under a contract for a fixed term (usually one year). This results in better planning of procurement needs by each department and allows Purchasing to obtain better prices on the items purchased.

SOP 100-010, Supply Contract, "X" Order, Petty Cash, and Unplanned Procurement, prescribes the procedures and responsibilities of the Purchasing Division and City departments in the use of purchasing methods other than standard requisitions. "X" orders are no longer used.

Review of Actual Practices

Procurement Methods

The following introductory discussion provides a basic overview of the steps and methods by which supplies, materials and equipment are procured. Three methods are used by the Purchasing Division:

1. Standard Purchase Order
2. Emergency Purchase Order ("R" Number)
3. Term Contract ("W" Contract)

A standard purchase order begins with a department submitting a standard purchase requisition. The requisition is logged into the Purchasing Division and is assigned to a buyer who handles that commodity group. The buyer reviews the specifications for clarity and unnecessary restrictions and discusses any problems or suggested changes with the requisitioning department. The estimated dollar value of the item(s) and the type of item(s) being requisitioned determines the subsequent actions of the buyer. The options available are numerous and more easily explained by using a flow chart. Appendix III diagrams the decision tree of possible subsequent actions by a buyer. Appendix IV presents a recap of standard purchase order activity by department for 1977.

Emergency purchases ("R" Numbers) usually begin by a department telephoning the buyer responsible for the commodity group of which the emergency item is a part. Each buyer has a sequentially numbered pad of "R" numbers on which the buyer is supposed to record the justification for the emergency purchase. If the buyer is satisfied of the need for an emergency procurement, the number will be given to the department. The department can then go directly to a vendor and order the item. An after-the-fact requisition and receiving report are then returned to the buyer.

Term Contracts ("W" Contracts) are contracts with a vendor to supply item(s) at established prices over the contract term (usually one year). Items which are regularly used in high volume, such as office supplies, are ideal for term contracts. Items are identified through the annual purchasing plan and through contract with individual departments. A single buyer is responsible for all term contract activity. The buyer assembles the necessary specifications, advertises for bids, evaluates the bids and secures the Purchasing Agent's signature. City departments, who might potentially have use for the items covered by a term contract, are notified of its existence. To order on the term contract, the departments simply phone the vendor, place their order, and state the place of delivery.

The use of term contracts involves a tradeoff between efficiency and impartiality. Term contracts are more efficient for the following reasons:

1. Vendors usually offer lower prices on a term contract because they can anticipate a higher volume of sales. The City takes advantage of these quantity discounts, but is not contractually committed to a minimum quantity. Estimated quantities are supplied the vendors to aid them in preparing their bids.

2. Using departments can order directly from the vendor and receive the items within a short time period instead of having to wait extended periods for the processing of requisitions, bids and purchase orders.

3. Departments and the Purchasing Division save work hours of effort that would be involved in bidding small orders. Instead, one contract is bid and completed.

Impartiality is negatively affected by the use of term contracts. Many smaller firms which handle highly competitive products are often unable to compete against some of the larger firms on term contracts. This limits the number of vendors who might even consider bidding. Because the contract is usually for a year, with an option to renew for a second year, there is a lack of competition during that period.

Public Notice and Competitive Practices

Public notice means assuring that a large number of potentially competitive vendors are informed of the opportunity to bid on contracts for City business. In order to be able to inform vendors of upcoming bids, the buyers need to maintain lists of vendors and the types of items the vendor can provide. These lists need to be continually updated so that they contain a broad listing of potential vendors. Bids need to be solicited not only from the small group of vendors who prove to be the most competitive on a regular basis, but also from the whole list on a relatively regular basis so that the City avoids the accusation (accurate or not) that it deals with a favored few.

We found that each buyer maintains lists of vendors and the items each can supply. The lists are usually cross-referenced to a list of commodities with a list of the vendors who can supply the commodity.

In our interviews, buyers said that deletions from and additions to the lists are made periodically. Reasons for deleting vendors include the following: offering consistently uncompetitive prices, providing poor service, being consistently late in their deliveries or being unresponsive to bid solicitations. We found that few of the buyers maintain records which document the reasons for discontinuing bid solicitations from a vendor or notify the vendor that they are deleting the firm from future opportunities to bid. We found that the Purchasing Agent does not maintain a central list of vendors with whom the Division has experienced poor performance. Buyers mentioned that they will add vendors to their lists under the following circumstances: (1) a Vendor asks to be added; (2) a Vendor is brought to their attention by departmental personnel or other buyers; (3) Purchasing has a need to expand their list.

No consistent policy exists for making either additions to or deletions from vendor lists. buyers have total discretion in using individual methodologies.

We also observed that Purchasing has not established any policy in regard to non-responsive bidders. It is left to the buyer's discretion whether or not to continue to solicit bids from vendors who do not return an invitation to bid. Buyers generally indicated that vendors are dropped from the vendor's list if they fail to respond to several consecutive invitations. Vendors who respond with a "no bid" are interpreted as signalling a buyer that they wish to continue being solicited.

The City Purchasing Division uses four methods for providing public notice of upcoming bids. These are:

1. Advertise in Daily Journal of Commerce (required by ordinance if an item exceeds $2,500);

2. Mail invitations to bid to potential vendors;

3. Make phone calls to potential vendors;

4. Place invitations to bid in a notebook on the front counter in the Purchasing Division where vendors have access to them. Bids received in this manner are called "counter bids."

Each of these solicitation methods have circumstances under which each is appropriate. Department Policy and Procedure, "Preparation of an Invitation to Bid", gives detailed guidance on when various methods are to be used. The flow diagram in Appendix III presents the alternatives in an easy-to-follow manner.

Items over $2,500 are advertised in the Daily Journal of Commerce, which is published Monday through Saturday. Ads run one day only and five days must intervene between the advertisement date and the bid opening date, according to provisions of Ordinance 102151. We found, from our sample, that in no case was the five day interim period violated and the interim period averaged 10 days. Buyers and management stated that on complex bids, more time is allowed.

A special invitation to bid form is used to mail invitations to selected vendors. It is a multi-carbon form which allows up to six vendors to be addressed on the master but only individual vendor's names are transferred to subsequent copies. The specifications and quantities are recorded on all copies, The form is typed, checked for accuracy, burst, and mailed to individual vendors. Vendors record their bids and return them in special sealed envelopes to the Purchasing Division.

Phone bids are used most generally for lower dollar value orders where specifications can be easily communicated and time is critical. Several buyers expressed the concern that phone bids actually took more of the buyers' time than it would take to process an invitation to bid, because in both cases, the specifications and quantities need to be written. Buyers said that they frequently have to place six calls to get three bids. The time involved on the phone is frequently more than the time involved in processing and reviewing the written invitations to bid. Although we did not attempt to quantify the time differentials for these two alternatives, we believe phone bids are likely more time-consuming and wasteful of the buyers' time. We also believe there is an increased chance for misunderstandings to develop between the buyer and the vendor because the communication is oral rather than written.

Most buyers place a copy of an invitation to bid at Purchasing's front counter. This allows vendors, who visit the Purchasing Division, to receive notice that the City is soliciting bids. A counter bid can then be completed, sealed in an envelope, date-stamped and deposited in the bid box. Buyers use counter bids as back-up source of bids to the primary source, which may be phone bids, invitations to bid, or newspaper advertisement. However, we found one buyer who used counter bids as the primary source of bids for an entire class of merchandise. The buyer justified this practice by saying that all of the competitive vendors for his commodity group (electrical supplies), regularly came to the Purchasing Division and reviewed the items up for bids. While this may be true, new potential bidders unaware of this practice are not informed of the bidding opportunity.

Based on our sample of standard purchase contracts[1], we found that:

1. All purchases conformed with the competitive requirements of Ordinance 102151 and the Department Policy and Procedure and Preparing Invitations to Bid. These requirements relate to the minimum competitive requirements in varying circumstances.

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[1]We reviewed 49 standard purchase contracts and 30 emergency purchase contracts. The total of 1977 standard purchase order contracts was 8436 and the total of emergency purchase contracts was 2499. Our sample was judgmental and randomly selected, but the proportions sampled from each department were equal to the department's proportion of the total population.

2. All 49 purchase contracts had clear and unambiguous specifications and contained measurable standards of performance.

3. In 16 cases, specifications called for a brand name or had the effect of limiting the competition to one brand due to restrictions in the specifications. This practice is not necessarily improper if good reasons exist and are documented for specifying and selecting one brand. We were not able to find a written rationale explaining the justification for these restrictions in 11 of these 16 purchase orders. Our review of contracting literature did not find explicit documentation standards for Purchasing personnel. However, many comments were directed at the need for clear written contract records which demonstrate openness, competition and impartiality in the purchasing process. Without this documentation, it is impossible to determine if the restrictions were justified. For example, one purchase of 50 relays for the Lighting Department specified Magnecraft relays, but no reason was given for specifying the single brand.

4. Seven purchase contracts were awarded to what the buyer classified as being sole sources of supply. Some items can have a sole source of supply for a generic commodity, especially if geographical restrictions are placed on the purchase. Other items can be sole source if restrictions in the specifications limit the supplier to one brand name. Our review lead us to believe that the sole source label is not being abused, but documentation of the rationale in the contract files is not always adequate. For example, one $386 order for Monroe Calculators for the Lighting Department on a state contract was called a sole source procurement, the justification given that "this Division of City Light standardizes on Monroes."

5. Four cases were discovered in which the contract was awarded to a vendor who did not submit the low bid, but three of the four contained adequate documentation justifying the non-price considerations which were more important than price alone. The price differences between the firm receiving the awards and the actual low bidders were insignificant. In one case, the low bidder was not selected and there were no comments explaining why the low bid was rejected. The price difference was $96 on a $569 order. This order involved the purchase of voltage testers for the Lighting Department. The requisition and invitation to bid called for a single brand product. A vendor submitted a bid for a different voltage tester which met all the specifications. The low bid was not evaluated before award was made to the second low bidder.

6. All requisitions which were expected to total $2,500 or more per item were advertised in the City's official newspaper, Daily Journal of Commerce, except for a sole source procurement, which Ordinance 102151 specifically exempts from advertising requirements.

7. Five purchases were made by using counter bids only. These purchases were of low dollar value, averaging $332 each. An average of 2.4 bids were received on each. (Note: A counter bid is a bid supplied by a vendor representative who visits the Purchasing Division, scans through notebooks containing items which are up for bids and leaves a bid in a sealed envelope.) For example, one purchase order for floor wax and disinfectant which eventually totaled $716 was not placed on an invitation to bid, no phone calls were made and 3 counter bids were the only bids.

8. Eleven purchases were made by soliciting one telephone bid only. These purchases were also of low dollar value. The median value was $239. Five of these orders were sole source procurements and two were purchases on an existing state contract. These circumstances are in conformance with ordinance requirements and Division procedures.

9. Ten purchases were made using more than one telephone bid. These purchases averaged $395 and an average of 3.2 telephone calls soliciting bids were made on each. An average of 2.3 bids were received on each of these orders.

10. 23 purchases were made using mailed invitations to bid. An average of 3.9 invitations to bid were mailed on each order with a range from 1 to 9. An average of 2.9 bid responses were received per purchase with a range of 1 to 6. The median dollar value of these purchase orders was $617. The range was from $100 to $20,527. No clear rationale was evident why many of the smaller purchases utilized formal invitations to bid, since many other similar small orders utilized other means of soliciting bids. For example, six invitations to bid were mailed on an order for a 55-gallon drum of compressor oil totaling $100.

Ordinance 102151 allows three circumstances in which normal competitive and procedural requirements can be bypassed. The first is that when an item is obtainable through a sole source of supply, regardless of the amount, the order can be placed directly with the sole source vendor without soliciting any other bids. The second is that if an item is of an "emergency" nature, the item can be purchased directly by the department after the responsible buyer has been satisfied of the legitimacy of the emergency and provides an emergency purchase contract number to the department. The third is when the Purchasing Agent declares that an item is impracticable to bid. In this case, potential vendors are contacted and negotiations take place after a more general set of specifications and requirements are developed. We found no determinations of impraticability in our sample, but an example is the purchase of computer equipment.

Evaluating the justification for sole source procurements is difficult. The most common reasons given for declaring that an item is obtainable only through a sole source are:

1. Only one manufacturer or distributor of the item exists.

2. Because speed of delivery, local service availability, and freight costs are important, other suppliers out of the Seattle vicinity are not acceptable unless no local vendor is available.

3. The merchandise must be compatible with existing equipment.

4. Previous experience with a similar generic substitute has proven it unacceptable.

5. The requisitioning department standardizes on one brand name product, e.g., Monroe Calculators.

6. Due to special features of one brand name product, other similar products will not meet the real or perceived needs of the requisitioning department.

Our interviews with buyers lead us to believe that they make concerted efforts to avoid using brand names and sole sources whenever possible. The biggest single obstacle appears to be the insistence of departments on brand name products. Departments often research the various options for items they need prior to preparing and submitting the requisition to the Purchasing Division. Therefore, the specifications often read like an advertisement for a single brand name product. Buyers indicated that they attempt to pursuade departments of the availability of other options, but if the department is persistent and willing to justify its restrictive request, then the department is likely to get what it wants.

Buyers argue that they still attempt to obtain the best price on the purchase regardless of the constraints placed on them by the departments. Buyers believe that if they are too tough with a department that friction and ill feelings between the department and Purchasing will develop. They believe that minimizing this friction is important. Ordinance 102151 clearly makes the Purchasing Agent responsible for assuring that bid specifications are not unduly restrictive. Departments should not be able to sway purchase decisions based on their feelings. Hard evidence should be required. Because 21 of 49 (43%) of the purchase orders we reviewed limited competition through a sole source designation, or by specifying brand names, we believe that too many restrictions are being placed on the competitive process.

Emergency purchases are another category of purchases which do not conform with regular competitive procurement practices. Section 8 of Ordinance 102151 provides that:

> In case of an emergency requiring immediate purchase of supplies, materials and equipment, the City Purchasing Agent may make purchases in the open market without advertisement at the best obtainable price; provided that a full explanation of the circumstances of the emergency shall be filed with the City Purchasing Agent.

To make an emergency purchase, the department phones the appropriate buyer in the Purchasing Division and describes the nature of the emergency and gives an estimated cost for the item. The buyer completes an R number form which gives the basic information about the nature of the emergency. Once the buyer is satisfied that an emergency exists, the R number is given to the department. The department then makes the purchase in the open market and returns the receiving report and an after-the-fact requisition to Purchasing.

Based on our sample of emergency purchase contracts, we found that:

1. Only six of the 30 had adequate notation by the buyer of the emergency requiring an emergency purchase requisition.

2. None of the 30 contained a full explanation of the circumstances of the emergency as required by Section 8 of Ordinance 102151.

3. Two of the 30 showed receiving tickets and invoices dated before the date that the R number was requested, indicating that the department made the purchase prior to calling Purchasing for approval.

4. Several of the items ordered by departments did not appear to require R number purchases. One particular order by the Parks Department was for $2,653 of common custodial supplies.

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4. Several of the items ordered by departments did not appear to require R number purchases. One particular order by the Parks Department was for $2,653 of common custodial supplies.

5. Five instances were discovered where the R number sheet was completely blank. These were all for the Lighting Department.

Our discussions with buyers indicated that emergency purchase requests are routinely granted without forcing the department to adequately justify the request. A great deal of inconsistency exists among buyers regarding how tough they are in reviewing the need for an emergency purchase.

Chart VIII shows that for 1977, 23% of all contracts issued (excluding W contracts) were emergency purchase contracts, but these contracts represented only 1.9% of the total dollar volume of the Division.

CHART VIII

1977 PURCHASE CONTRACT RECAP

1977	Number of Contracts Issued	% of Total Contracts Issued	Total Dollar Value	% of Total Dollar Value
R - Numbers	2,499	(23%)	$ 434,483	1.9%
Std. Req.	8,436	(77%)	18,379,029	79.6%
W Contracts	N/A	N/A	4,287,000[1]	18.5%
TOTAL	10,935	100.0%	$ 23,100,512	100.0%

Chart IX shows the trend in usage of emergency purchase orders. The proportion of emergency purchases has increased slightly, but the proportion of the dollars spent on emergency purchases has remained relatively constant.

CHART IX

TREND OF R NUMBER USAGE[2]

	1974	1975	1976	1977
Number of R Numbers	3014	1938	N /A	2499
Total Orders	14953	11761	N /A	10935
% of Total Orders	20.2%	16.5	N /A	23%
% of Total Dollars on R Numbers	2.0%	2.0%	N /A	1.9%

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[1]This figure is an approximation based on doubling the actual experience for the first six months of 1977. The Purchasing Division was not able to provide more complete data.

[2]Data excludes term contracts.

While 1.9% is a small percentage of total dollars expended, it still represents a potential loophole for departments to bypass competitive procedures. The heavy use of R numbers suggests insufficient planning of some normal purchasing activity, as well as insufficient control by Purchasing. Appendix V presents a recap of 1977 R number expenditures by department.

Bid Evaluation Criteria and Contract Award

Both Article VIII, Section 16, of the City Charter and Section 5 of Ordinance 102151 require that contract awards be made to the "lowest and best bidder." Lowest is easily determined, but best requires the buyer to evaluate such factors as quality, delivery terms, service reputation of the vendor, and past experience with any of the vendors. Where any of these factors are determined to be of major importance, a vendor other than the lowest bidder might be selected, but the rationale should be clearly documented in the contract file.

In our interviews with buyers, we asked if bid evaluation criteria were predefined. Buyers responded that they knew from experience what weight to give to various non-price considerations, but these were seldom prerecorded or included in invitations to bid. None of our sampled contracts showed evidence that these criteria were precorded. Several buyers mentioned that in special complicated purchases, the bidders are notified of evaluation criteria.

Our observations of bid openings showed that a standard set of procedures were followed. Bid were always opened at the time and place specified. If vendors were present, each bid was read, recorded on a tabulation sheet and vendors were allowed to review their competitors' bids. The buyers would then return to their desks, review the bids more carefully and decide on the vendor who would receive the contract award. Depending on the dollar amount involved, a more senior buyer or manager would review and approve all the information before a purchase contract was actually issued.

All of our 49 sampled contracts contained bid summaries and the actual bid forms submitted by the bidders.

We found that vendors have open access to bid openings and contract files if they so desire. Vendors frequently attend bid openings, especially where a high dollar value contract is involved.

Our discussions with vendors at these bid openings showed that they seemed satisfied with the fairness and openness of the process.

CONCLUSIONS AND RECOMMENDATIONS

Based on our review of impartiality and competitive practices in the Purchasing Division, we believe that a number of steps need to be taken to expand competition and limit restrictive practices.

We recommend that the Board of Public Works Contracting develop and adopt rules detailing the requirements for written documentation of actions taken by Purchasing personnel throughout the procurement process. These standards should provide sufficient information to allow a post audit to easily ascertain what procedural steps were followed and the rationale for procurement decisions.

We recommend the Purchasing Division conduct an advertisement campaign once each year to notify potential vendors of business opportunities with the City. Vendors should be encouraged to notify the Purchasing Division of the items or services which they can provide. These vendors should be added to all existing vendor lists.

A brochure should also be developed which explains the operation of the Division and the procedures involved in bidding and doing business with the City. This brochure should be distributed to any vendor expressing interest in doing business with the City.

Initially, the full list of interested vendors should be sent invitations to bid even if this involves mailing numerous invitations to bid. This will require an expanded mailing budget.

A vendor rating system should be developed which would rate each vendor based on developing or past experience with the vendor's speed of delivery, service reputation and prices. The Purchasing Agent should maintain a central file of those vendors with whom the Division has experienced poor performance. The kind of poor performance should be clearly documented.

We also recommend that Purchasing periodically request departments to submit evaluations of products which have been procured for them in earlier periods. These evaluations should only be done on an exception basis. Products which provide very poor or excellent service should be identified by Purchasing to assist in future purchase decisions.

Once sufficient experience information has been accumulated on vendors bidding for contracts, the number of vendors invited to bids would be limited. Under such a system, bid would always be solicited from the best three to five vendors and two to four other bids would be solicited from other vendors on a rotating basis. A system like this would assure that the proven vendors would always be solicited, but the other vendors would not be systematically excluded. The City could not then be accused of dealing with a select few. Those vendors excluded would have documented record of poor performance or uncompetitive prices.

An internal procedures should be developed for buyers, detailing the procedures to follow in adding to or deleting from a vendor's list. The City should not continue to do business with vendors who perform poorly, nor should the City be unaggressive in seeking new sources of supply.

We also recommend that a statement should be added to the invitation to bid, saying that a "no bid" response is required of any vendor who does not wish to bid. If no reply is received from a vendor on the two consecutive bids, he will be dropped from the vendor's list. This will provide all firms with the opportunity to bid, but will place the requirement on the vendor to keep his firm's name on the vendor's list. Any vendor who is dropped for either poor performance, uncompetitive prices or failure to respond to invitations to bid should always be notified of this action.

Although term contracts have some anti-competitive features, we believe that on balance the benefits derived from their use is in the City's best interest. The prices obtained on term contracts should be monitored closely and compared to changes in current market prices. If market conditions change, these contracts should be rebid.

Ordinance 102151 sets various competitive requirements for purchases of supplies, material and equipment depending on the estimated cost per item. Normally, purchase requisitions include only similar items obtainable from one vendor. A requisition could contain many items individually costing less than the $2,500 per item limitation in Ordinance 102151, but totaling considerably more than the limitation. The requisition would not have to be advertised. We believe that specifying the dollar limit in terms of individual items and then allowing multiple items on a requisition is an unnecessary loophole in the ordinance.

We recommend that each reference in Ordinance 102151 to "per item" be replaced by "per requisition." This means that the estimated dollar value of the requisition would be the determinate of the appropriate competitive procedures.

Ordinance 102151 was passed in May 1973. The dollar limits established at that time have since been seriously affected by inflation. The 1973 beginning Consumer Price Index (CPI) was 133.1. As of the end of 1978, the CPI was 200.0. This is a 50.3% increase in prices over this six-year period. In 1973, when Ordinance 102151 was adopted, items voer $2,500 were required to be advertised. In terms of current purchasing power, it would take $3756 to buy today what could have been bought for $2500 in 1973. Inflation has had the effect of requiring more orders to be advertised today than in 1973 simply because the dollar limits have not been updated.

We recommend that Ordinance 102151 be revised to include a provision requiring the Purchasing Agent to update any dollar figure at the beginning of each calendar year so that the dollar figures are stated in units of constant purchasing power. We recommend that the Consumer Price Index be used for this purpose.

We recommend that the Purchasing Agent discontinue the use of telephone bids. Phone bids may be more expensive in terms of internal processing and more susceptible to abuse and collusion by a buyer. Since the specifications need to be written for a purchase order contract anyway, we recommend that bids be solicited by written invitations to bid. Modern word processing equipment can make this a quick and inexpensive process. This would make the procurement process more open and competitive, a prime objective in public procurement.

While counter bids are an acceptable and desirable back-up source of extra bids, they should never be relied upon as the only source of bids. While we realize that the practice of using counter bids as the primary source is not widely used, we recommend that Division procedures clearly state that counter bids are only to be used as back-up bids. New potential vendors are excluded from the process if the broadest solicitation is not done.

We recommend that management place a strong emphasis on documenting the steps in the procurement process. Specifications calling for brand name merchandise and declaration of a vendor as a sole source require special care in documenting the circumstances. Purchase Orders calling for brand names or sole source procurements should also be reviewed by the Purchasing Agent.

We recommend that the definition of "sole source" be more explicitly defined in Ordinance 102151. A more comprehensive set of criteria needs to be described to place parameters on the meaning of this phrase.

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Several instances were discussed with buyers in which formal invitations to bid were accepted after the deadline because the vendor had notified the buyer that the bid would be late, but quoted the bid over the phone. In two cases discussed with buyers, the telephone acceptance was for an item above $2,500. This situation could lead to problems between the Purchasing Division and vendors.

In order to avoid possible conflicts with vendors, the Purchasing Division should institute a policy whereby no exceptions for late bids would be allowed. Whenever a formal invitation to bid is mailed to vendors, phone bids should not be acceptable.

We believe that bid evaluation criteria should be predefined and included in invitations to bid on any item which will be evaluated on factors other than price. It is necessary to inform the vendor of these factors and the importance to be placed on each in order to keep the competition as open as possible.

We recommend that a definition of "emergency" be more explicitly defined in Ordinance 102151. A more comprehensive set of criteria needs to be described to place parameters on the meaning of this phrase.

We recommend that Purchasing revise the language in SOP 100-010 to define more closely the circumstances under which emergency purchase orders are acceptable. The SOP should define the typical criteria for determining what constitutes an emergency and should state that unless sufficient justification for an emergency can be presented, an R number will not be issued. The SOP should also require the departments to submit, along with the purchase requisition, a form which would contain a confirmation of need statement explaining the what, why, when and where of the situation requiring an emergency purchase. The form should also require the Department to list those sources (we suggest a minimum of three) which they contacted for price quotes. The prices quoted and the reason for selecting the vendor should also be briefly stated. This form would provide information required by Section 8 of Ordinance 102151.

A Department Policy and Procedure should be adopted which provides guidance to buyers on how to handle R number requests. It should also define uniform and strict criteria for buyers to follow in justifying an emergency and state the extent of the documentation required from the buyer on the R number form.

PRINCIPLE 2 - RESPONSIBILITY AND ACCOUNTABILITY

Description of the Principle

In general, responsibility should be focused to avoid a system where policies are not consistently applied. Also, policy choices should be made by a public official with sufficient authority to make those decisions. Accountability requires that City officials give a full accounting of the actions and expenditures for which they are responsible.

Description of Existing Legislation and Procedures

City Charter and Ordinance 102151

The City Charter and Ordinance 102151 establish the primary legal requirements for the Purchasing Office and enumerate the duties of the Purchasing Agent. The Charter, Article VIII, Section 16, provides that the Purchasing Agent shall be appointed by and responsible to the Mayor or a department head as designated by ordinance. Under Charter authority, the Purchasing Agent is responsible for:

(1) Making all purchases of supplies, materials, and equipment for all City departments and agencies.

(2) Inspecting or supervising the inspection of all deliveries of supplies, materials, and equipment to determine quantity, quality, and conformance with specifications.

(3) Transferring all supplies, materials, and equipment among City departments or selling items not needed for public use.

(4) Following requirements prescribed by ordinance for:

a. Securing bids for any purchase or sale.

b. Publicly advertising contracts and awarding contracts to the lowest and best bidder.

c. Using written contracts for expenditures exceeding a certain amount.

Ordinance 102151 established the Purchasing Division in the Executive Department and made the Purchasing Agent responsible to and appointed by the Mayor. The Ordinance set forth specific procedures and duties of the Purchasing Agent discussed in other sections of this report. Also, it made the Purchasing Agent responsible for "services other than expert and consultant services."

Review of Actual Practices

Centralization of Authority and Responsibility

The City of Seattle currently has a centralized procurement function for equipment, materials, supplies, and services other than expert and consultant services. Individual departments do not do their own purchasing except for direct vouchered items amounting to less than $50. However, the Purchasing Agent has delegated some of the Charter and Ordinance authority for inspection and receiving.

Several instances were discussed with buyers in which formal invitations to bid were accepted after the deadline because the vendor had notified the buyer that the bid would be late, but quoted the bid over the phone. In two cases discussed with buyers, the telephone acceptance was for an item above $2,500. This situation could lead to problems between the Purchasing Division and vendors.

In order to avoid possible conflicts with vendors, the Purchasing Division should institute a policy whereby no exceptions for late bids would be allowed. Whenever a formal invitation to bid is mailed to vendors, phone bids should not be acceptable.

We believe that bid evaluation criteria should be predefined and included in invitations to bid on any item which will be evaluated on factors other than price. It is necessary to inform the vendor of these factors and the importance to be placed on each in order to keep the competition as open as possible.

We recommend that a definition of "emergency" be more explicitly defined in Ordinance 102151. A more comprehensive set of criteria needs to be described to place parameters on the meaning of this phrase.

We recommend that Purchasing revise the language in SOP 100-010 to define more closely the circumstances under which emergency purchase orders are acceptable. The SOP should define the typical criteria for determining what constitutes an emergency and should state that unless sufficient justification for an emergency can be presented, an R number will not be issued. The SOP should also require the departments to submit, along with the purchase requisition, a form which would contain a confirmation of need statement explaining the what, why, when and where of the situation requiring an emergency purchase. The form should also require the Department to list those sources (we suggest a minimum of three) which they contacted for price quotes. The prices quoted and the reason for selecting the vendor should also be briefly stated. This form would provide information required by Section 8 of Ordinance 102151.

A Department Policy and Procedure should be adopted which provides guidance to buyers on how to handle R number requests. It should also define uniform and strict criteria for buyers to follow in justifying an emergency and state the extent of the documentation required from the buyer on the R number form.

Ordinance 102151 provides that the Purchasing Agent will be responsible for the inspection and acceptance of all deliveries and that to facilitate such inspection, departmental personnel may be designated as representatives of the Purchasing Agent to inspect and accept in accordance with rules and regulations prescribed by the Purchasing Agent. In February 1974, an SOP, "Purchasing-Receiving and Inspections," became effective. The main purpose of this SOP is to establish policies and procedures for the receiving and inspection of items purchased by the City. Under the SOP the Purchasing Agent is responsible for:

(1) Establishing and monitoring a system for the prompt execution of receiving and inspection.

(2) Maintaining a current roster of receiving agents and alternates.

(3) Filing inspection reports as appropriate.

Each City department is required to identify an in-house personnel to act as a receiving agent.

In July 1977, the Purchasing Agent requested and received the names of departmental personnel assigned responsibility for purchasing-related duties. The list of names was lengthy. The Lighting Department, for instance, provided the names of 66 people responsible for signing receiving reports.

As part of our review we checked with four City deparments with a commodity range representative of City-wide procurement activity. We found that the departments' assigned person for receiving and inspection differed significantly from the list used by the Purchasing Division. Among the four departments, only one had an internal procedure which addressed the department's receiving and inspection duties and complemented the SOP. The other three departments did not have internal procedures, had incomplete procedures, or did not follow up to ensure that receiving and inspection personnel actually performed within the guidelines established. None of the departments indicated that the Purchasing Agent had reviewed the manner in which they carried out their delegated duties.

Our review results indicate an absence of centralized control over receiving and inspection activities. In addition, receiving reports are being handled differently as a result of the new Central Financial Management System (CFMS) and these changes almost completely remove the Purchasing Agent from the process.

Ordinance 102151 requires:

a. That a written report of receipt be transmitted to the Purchasing Agent before payment is made.

b. That invoices be submitted to the Purchasing Agent, who shall approve the same as to price, delivery, or work performed before payment is made.

Under the old system, the Purchasing Agent reviewed both the receiving ticket and the vendor's invoice before payment and certain elements of management control were possible.

With the implementation of CFMS in January 1978, the Purchasing Agent's direct management control will decrease. However, the CFMS system will considerably reduce the payment cycle cited in the 1976 Council audit. Although this system does not currently comply with the requirements of Ordinance 102151, the Purchasing Agent has the authority to delegate invoicing responsibilities to the user departments.

Historically, Purchasing has been involved in reconciliation of undershipment or overshipment problems as well as providing information on escalation rates, freight billings, or substitutions to the original purchase order. In addition, Purchasing has been part of the information flow allowing them to evaluate the performance (timely delivery) of vendors and to use past performance in selecting future vendors. The future r role of Purchasing in receiving/inspection and invoicing needs clarification.

Management Control

The Purchasing Division has developed a set of integrated policy and procedure statements for internal operations. Appendix VI lists the policy and procedure statements. Eight of these internal documents establish performance guidelines for department personnel. However, the Purchasing Division has not evaluated whether buyers perform in accordance with the established procedures. There is no systematic review of a buyer's work and therefore, the internal procedures have no enforcement mechanism.

For example, DOI 1091-003, Improperly Submitted Bids, provides definitions of late bids, sealed bids, and explicitly delineates the responsibility of buyers during the bidding process. Section 7.2 states that buyers are not to accept late bids under any circumstances. However, in our review of the Division we found that buyers were accepting late bids. See discussion on page 60.

Conclusions and Recommendations

Currently, the Purchasing Division is part of the Executive Department and reports to the Mayor. While this organizational location should assure sufficient authority for Purchasing to interrelate effectively with other departments, we found that Purchasing is not enforcing its authority to require departments to change unnecessarily restrictive specifications (see discussion on pp. 55).

Ordinance 102151 gives the Purchasing Agent the authority to purchase all supplies, materials, equipment, and services other than expert and consultant services. This exception has created confusion about which contracting authority is responsible for which contract. In part, the confusion results from a lack of a generally accepted definition of "expert and consultant services." But even with a definition, problems would occur. The key distinction should be whether a contract for services can or cannot be competitvely bid, rather than a definition which attempts to address all circumstances in which competitive bidding is not appropriate. This issue is discussed in more detail in Chapter III.

The need to determine how to select service providers (through bidding, negotiation, or sole source) on an individual basis leads us to conclude that consistency in selection will only occur if one contracting authority is responsible for all services contracts. We recommend that the Purchasing Division be relocated and report to a "Board of Public Works and Contracting," which would also be responsible for other types of services contracting.

The City should continue to procure equipment, materials, and supplies on a centralized basis in keeping with the Purchasing Agent's current authority. However, the receiving and inspection repsonsibilities should be formally delegated to the departments. In order to accomplish the delegation, the following steps should be taken:

(1) Amend Ordinance 102151, Section 12, to delete the two requirements: (a) that a written report be transmitted to the Purchasing Agent before payment is made, and (b) who shall approve the same as to price, delivery, or work peformed before payment is made.

(2) Amend SOP 100-007 to reflect the changes and to clarify the vendor, department, Comptroller, and Purchasing Division relationship. The responsibility for reconciliation of non-matched invoices, receiving tickets, and purchase orders should reside in the department, with the Comptroller responsible for auditing the reconciliation before payment is made. The CFMS Manual should be updated to reflect appropriate changes to the receiving/inspection and invoicing process.

(3) The Purchasing Agent should develop procedures for receiving and inspection which incorporate internal control techniques; principally, limiting the number of receiving agents and assuring that receiving agents do not have access to other parts of the reconciliation and voucher authorization process. The Purchasing Agent should train departmental personnel in proper receiving and inspection procedures.

(4) The Purchasing Agent should define how the Purchasing Division will be informed about vendor performance so that past performance can be used in rating vendors and selecting future vendors.

Although the Purchasing Division has established internal operating procedures, there is no follow up to assure that departmental personnel are following the procedures established. We recommend that the Purchasing Division review all of its internal management documents and develop a systematic review to assure that buyers and other personnel perform according to the procedures established.

PRINCIPLE 3 - COMPETENCE OF PROCUREMENT PERSONNEL

Description of the Principle

Competence can be defined as honesty, professionalism and expertise. Where there is professionalism and conformance to technical and ethical standards, procurement can award contracts impartially, reduce costs of City operations, and instill confidence in the integrity of government.

The procurement authority should be responsible for determining job requirements for each position within the organization and filling positions with qualified personnel. In addition, professional development should be encouraged through on-the-job training, outside training and participation in professional organizations.

There should be ethical standards for both City officials/employees and contractors. The standards should be clear and concise and should set out the conduct expected of both groups. Penalties for breach of ethical standards should be established.

Ethical standards should include prohibitions against:

- conflict of interest (including financial interests of family members)
- gratuities
- kickbacks
- contingent fees
- use of confidential information
- use of former employees as contractors (consultants, vendors)

Description of Existing Practices

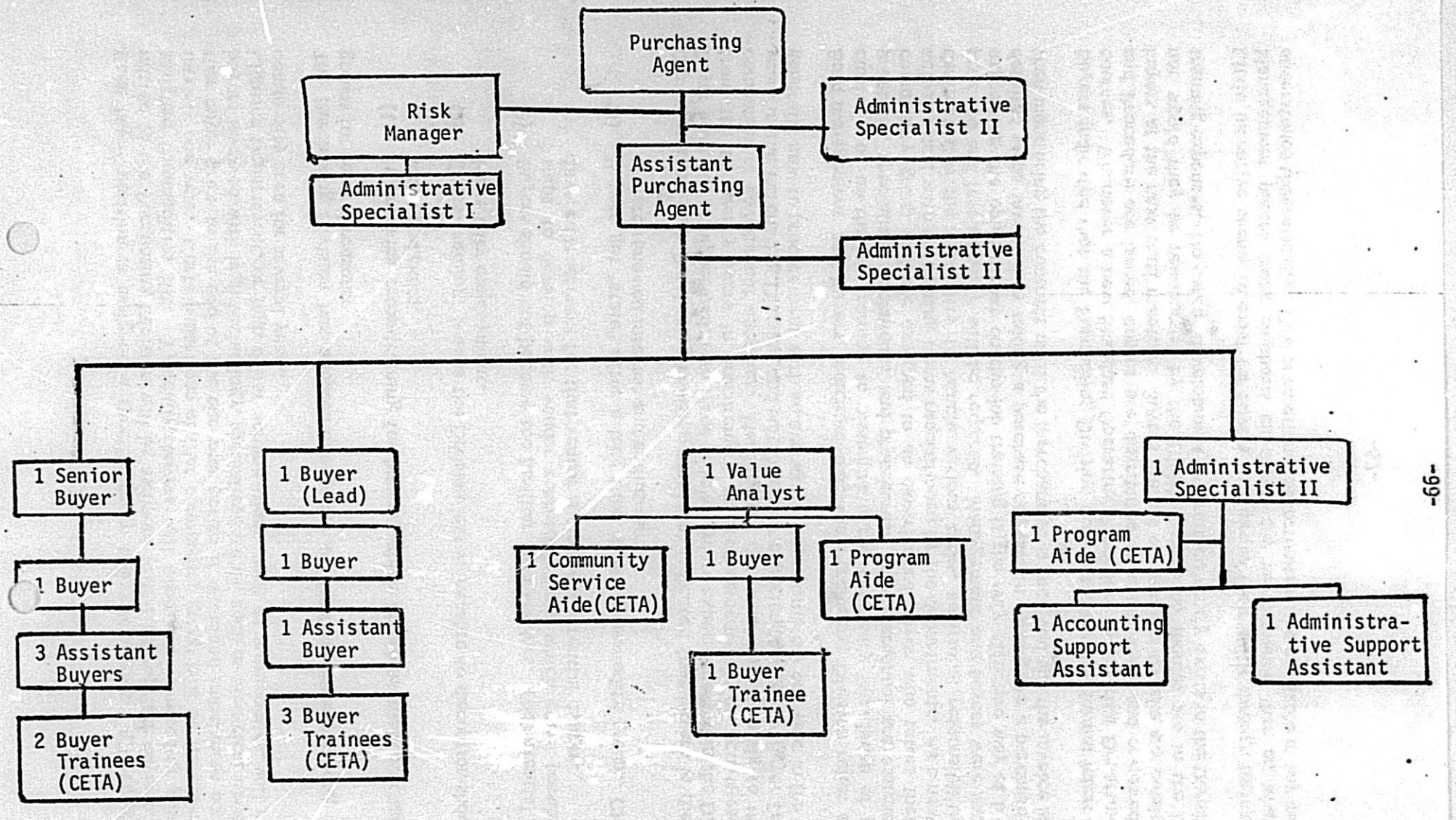
Contracting for supplies, materials, and equipment is a highly technical area. Procurement personnel need to be thoroughly familiar with the detailed procedures and techniques used to expedite purchase orders. They must also become familiar with their commodity lines and potential sources of supply. Buyers need both formal education and experience to maximize their effectiveness in securing products suitable to the circumstances which have the best combination of quality and price. When all Buyers operate in this manner, the City acts successfully as a contractor.

Purchasing Division Expertise

Purchasing Division staff consists of clerical, buying and managerial positions. Chart X is an organization chart for the Division. The personnel who actually handle the processing of purchase requisitions and make the buying decisions are the four levels of Buyers. The Value Analyst, Assistant Purchasing Agent and the Purchasing Agent also are involved in procurement decisions, but they act more in an advisory and review capacity for the four levels of Buyers. Each of these individuals has a dollar commitment ceiling beyond which they cannot contractually commit the City.

Buyer-trainees are allowed to perform all ordinary purchasing activities, but they are not allowed to sign purchase orders. Each buyer-trainee works with an experienced buyer who signs the purchase order for the buyer-trainee after having reviewed the work completed for that order.

Chart
Purchasing Division Organization Chart



Each buyer position is assigned a specific group of commodities. All requisitions submitted to the Purchasing Division will be assigned to the appropriate buyer based on the assigned commodities list. Typically, buyers will keep one commodity group approximately one year. Certain portions of that commodity group will be transferred to another buyer prior to the end of the one-year period if workload imbalances occur. A few buyers involved with high technology, specialized items, such as electrical supplies for the Lighting Department, or high dollar volume items, such as automobiles, will remain in a commodity area for several years.

The Purchasing Division has adopted the policy of rotating buyers among commodity groups for several reasons:

(1) It provides cross-training for buyers, which broadens their purchasing knowledge and skills.

(2) Cross-training leaves the Division less vulnerable to disruption should a buyer leave City employment.

(3) Buyers should not become too familiar with vendors. The potential for friendships to develop with vendor representatives which could possibly lead to favored treatment for that vendor is always a potential danger.

(4) Buyers get "stale" after a long time in one commodity group. Changes stimulate renewed interest and enthusiasm.

Our interviews with Purchasing Division personnel indicated that buyers in the Assistant Buyer positions or higher had from three to seven years experience within the Division and from ten to twenty years in procurement or procurement-related activities for other companies or government agencies. Management personnel had from six to thirty-three years in the Purchasing Division and suitable prior experience as well. Buyer Trainees are generally new to procurement with an average of approximately one year in the Division.

Both management and Buyers indicated that the Purchasing Division relies almost exclusively on on-the-job training to disseminate the necessary knowledge of purchasing practices, specialized techniques and procedures. New personnel are assigned a small commodity group and are assigned to an experienced buyer who tutors them as they actually deal with purchasing items requisitioned by the departments. As a new employee demonstrates the capability to handle various tasks, additional responsibilities will be provided and less scrutiny will be required. Management and buyers were unanimous in expressing the opinion that on-the-job training is the only effective way of learning the detailed steps involved in taking a purchase requisition through to a purchase order and then monitoring the contract until the merchandise is received and the invoice is paid.

Buyers indicated that the Purchasing Division does not offer any formal internal training courses. Whenever a new Standard Operating Procedure or internal Department Policy and Procedure are issued, copies are distributed to each buyer and reviewed with the buyers at the next staff meeting. Buyers are not encouraged to take any outside classes, nor would they be reimbursed by the Division since no monies are in the budget for training expenses. No career development program currently exists in the Division.

Little incentive seems to exist for buyers to improve their skills through formal training. Management places more emphasis on day-to-day performance than on what a buyer understands theoretically. Few promotional opportunities are available in any case.

Buyers receive requisitions for many varied items. Each item may have a number of different brand name manufacturers each having slightly varying features. Each brand may have a number of potential vendors. Buyers are not expected to know everything, but they are expected to evaluate each situation to make the best purchase decisions with a minimum investment of time. Buyers need to get accurate information on alternative products, brands and vendors and then write an accurate set of specifications which will maximize competition and still meet the department's needs. Buyers are not necessarily experts on what they are purchasing, but they need to possess the expertise of how to purchase and how to get the best knowledge about a product in a limited amount of time.

Department Expertise

The Purchasing Division does the purchasing of all City supplies, materials and equipment for all City departments, with the exception of those purchases made by departments using direct vouchers and petty cash. Departments inititate the purchasing process by completing requisitions for items they need and forwarding them to the Purchasing Division to make the actual purchase. The buyer works in conjunction with and relies on departmental personnel at several points in the process.

Many items procured by Purchasing are relatively standard and require little communication with the departments. Other items, especially those involving high technology or specialized equipment or materials, require that the department's expertise be utilized both in developing specifications and in evaluating bids.

Our interviews with buyers and management disclosed that departmental personnel are not adequately familiar with purchasing procedures and especially the roles they play in the process. Purchasing Division personnel indicate that departments need training in areas such as preparing purchase requisitions and in processing receiving reports. Purchasing believes that the larger departments are generally more familiar with procedures than are smaller departments which have a lower volume of purchasing activity. Our discussions with personnel in several departments lead us to believe that the Purchasing Division is correct in their observations.

The Purchasing Division conducted training sessions for departmental personnel who were exercising authority delegated to them by the Purchasing Agent up to about three years ago. Budgetary constraints forced a cutback in this training, however. The Purchasing Agent believes that the lack of current training has a noticeable impact on the number of problems arising from unskilled personnel handling various activities in the departments.

Ethics

We noted that there are no legally mandated ethical standards established for City officials involved in contracting. Ordinance 100435 (Code of Ethics) establishes general standards, but does not deal specifically with public contracting.

In July 1976, the Purchasing Division did adopt Department Policy and Procedure 109P-004, Procurement Policies and Procedures-Ethics (see Appendix VII), dealing with ethics. In brief, this procedure states that buyers cannot have outside financial interests which conflict with their duties in the Division and that dealings with suppliers must be courteous, impartial and equal.

This Department Policy and Procedure is a weak and insufficient statement of ethical requirements. It does not contain a section defining the meaning of key terms such as financial interest, gratuity, or confidential information. It does not cover several key standards of conduct such as use of confidential information, employee disclosure requirements, prohibition against contingent fees or restrictions on employment of present or former employees. Those standards of conduct such as employee conflicts of interest and gratuities and kickbacks are only superficially discussed. Lastly, it does not provide any remedies against employees who breach ethical standards. These remedies could include warnings, reprimands, temporary dismissals and permanent dismissals.

Currently, the Board of Ethics is developing new ethics legislation, which will be submitted to the Council in the spring of 1979. One section of the ordinance is entitled, "Procurement and Public Contracting." Because the Board of Ethics is addressing this area, we have not developed specific recommendations. Instead, we provided the Board of Ethics with draft legislation developed by the American Bar Association as part of the Model Procurement Code project. We will review draft legislation submitted by the Board.

Conclusions and Recommendations

With the exception of the CETA-funded buyer-trainee positions, the procurement personnel in the Purchasing Division all had extensive backgrounds as buyers. Although previous experience is a good indicator of competence, we recommend that the buyers be provided some regular training to supplement their on-the-job training. The training should concentrate on assuring consistent internal methodologies and also on formal discussions of accepted procurement industry methods and practices. Employees should also be encouraged to take outside classes and participate in professional groups. A training budget needs to be established to reimburse employees for these professional development activities.

The Purchasing Division's practice of rotating buyers among commodity groups appears to be a beneficial practice. The benefits outweigh the few disadvantages. We recommend that this practice continue.

We recommend that the Purchasing Division conduct training sessions for departmental personnel who exercise responsibilities delegated by the Purchasing Agent. This training should include preparation of purchase requisitions, processing of receiving reports and ways of maximizing competition on direct voucher purchases. This training would result in a more efficient and effective purchasing process.

We recommend that Department Policy and Procedure 109P-004, Procurement Policies and Procedures-Ethics, be withdrawn. The Board of Ethics is developing new ethics legislation for procurement activities. If the Board of Contracting determines that additional rules need to be developed for the Purchasing Division, these should be modeled after the ethics section of the American Bar Association's A Model Procurement Code for State and Local Governments.

PRINCIPLE 4 - EFFICIENCY AND EFFECTIVENESS

Description of the Principle

Efficiency can be defined as conducting the procurement process in the least costly way possible. Efficiency requires that procurement officials perform with a minimum of waste, expense, and unnecessary effort. Effectiveness in procurement occurs when desired quality objectives are achieved. Effectiveness includes the concept of value.

Legal Authority

The primary legal authority for the following areas of discussion is found in Ordinance 102151. The pertinent sections will be referenced during the discussion.

Responsiveness and Flexibility

The procurement process for acquisition of commodities valued at over $2,500 and under $200,000 consists of 22 steps. The steps are described in Appendix VIII.

A 1976 Legislative Audit of the Purchasing Division reported that 47 days lapsed between receipt of a standard requisition by the Purchasing Division and receipt of the product ordered.

Based on our review of 49 purchase contracts prepared from standard requisitions, the same purchasing process took an average of 42 days in 1977.

The 1976 audit recommended that OMB, the Comptroller, and the Purchasing Division examine the lengthy review and payment process and suggested making the departments, rather than Purchasing, responsible for authorizing payment of bills. As previously discussed (pp. 63), with implementation of CFMS in January, 1979, this change has been accomplished. However, as recommended on pp. 64 , Ordinance 102151 must be amended to reflect current operations.

The City's procurement ordinance allows many exceptions, assuring the flexibility to respond to varying procurement circumstances. Ordinance 102151 provides the Purchasing Agent with legal authority to address a variety of foreseen and unforeseen needs, varying from the normal procurement cycle:

-- Allows departments to request commodities that were not foreseen at the time that their Annual Purchasing Plan was filed with the Purchasing Agent.

-- Allows the procurement of items not in excess of $1,000 dollars to be secured without bids, if the delay and expense of handling the bids on small items would not be advantageous to the City.

-- Allows the use of the Emergency requisition exempt from standard competitive procedures.

-- Exempts procurement activity identified as sole source or declared to be impracticable to bid by the Purchasing Agent from the standard competitive bid process.

The Purchasing Agent has delegated to Departments the authority to directly procure items costing less than $50. A department can buy any item on the market under the $50 limit and forward an invoice and voucher to the Comptroller for payment (direct vouchering).

A joint Purchasing Agent, Comptroller, and Office of Management and Budget memorandum, dated December, 1973, defines the $50 limit as "$50 per voucher, per vendor, per department, per fund, per voucher period." One discussion with the Comptroller's staff indicated that this restriction is almost impossible to enforce. The Purchasing Division does not have any record of City-wide direct vouchering activity, nor does the Comptroller. Consequently, it is difficult to determine the types of commodities procured and the total dollar amounts spent on direct vouchering City-wide.

Unfortunately, the new CFMS will not provide additional information or controls on direct vouchering activities. Any proposal to increase the dollar amount of direct vouchering authority must be made along policy guidelines because there is no hard data to substantiate the integrity of the direct vouchering dollar limit. There is no current restriction on the type of commodity that can be direct vouchered; an increase to the dollar level may increase the potential for abuse in the procurement of capital items.

The $50 limit was established ten years ago. In light of inflationary dollar value changes and a current policy trend toward increased department accountability and responsibility, the $50 limit appears unnecessarily restrictive.

Quality

Having adequate technical specifications is important to assure necessary quality characteristics are present. In addition, specifications can be used to subvert the competitive process through over-specifying requirements; i.e., use of brand names and sole source.

Ordinance 102151 established a Committee on Purchasing Standards, consisting of the Mayor, the City Purchasing Agent, and a member of the Board of Public Works. The duties of the Committee are to prepare standardized specifications, including a standard purchasing nomenclature for all supplies, materials, and equipment used by the City. SOP 100-056, "Purchasing Standards and Specifications," established the policy for the development of purchasing standards and specifications.

The Purchasing Division does not have a Committee on Purchasing Standards. This practice was discontinued approximately five years ago, due to an abrogation of the Standards Coordinator position within the Division. Currently, a Value Analyst in the Purchasing Division has been directly responsible for the general review and development of specifications standards.

The Value Analyst, in conjunction with the buyer assigned to that commodity, reviews initial specifications drafts developed by a user department for a proposed procurement item. Any requested adjustments are communicated to the user department until both agree upon the appropriateness of the specification.

The Value Analyst also is responsible for updating current City-wide specifications and standards and preparing specifications for new requirements. This work is accomplished as time is available.

The available resources used by the Value Analyst are:

1. Specification Library in the Federal Building;

2. The State Specification Library located at Seattle Center;

3. Past members of the Standards Committee who are available to comment on standards or specifications.

Purchasing uses approximately 1,000 standards to aid in the development of specifications and the Annual Purchasing Plan. The standards are seven years old.

The Value Analyst also develops specific specifications upon the request of the user department. Examples of this are:

1. The City Municipal Building Cafeteria specification;

2. The Police Impound Towing specification;

3. The specifications needed to support sale of supply items by commodity type.

Ordinance 102151 makes the Purchasing Agent responsible for avoiding the use of brand names as a criterion for procurement of supplies, materials, equipment, and services, if, in his judgment, procurement can be accomplished through the use of general specifications.

In our interviews with buyers and in reviewing the sample of standard requisitions, it was apparent that this ordinance authority is not routinely exercised. For example, a brand name voltage tester was purchased, even though a comparable non-brand name voltage tester was available at a lower price. Buyers indicated that user departments were apt to pressure a buyer when the buyer procurement judgment differed from the department's preference for a commodity type. This is a difficult situation for the Buyers on a practical basis. The user department can usually develop a "support statement" to augment its judgment and the buyer historically has honored the user departments support statements.

In our interviews, buyers indicated that Purchasing submitted to pressure from user departments who prefer one commodity type over another. It appears that Purchasing has accepted departmental recommendations and substituted departmental preferences for their own procurement judgment.

Process Cost

Certain elements related to process cost are discussed earlier in this report. However, Law Department participation in the procurement process deserves discussion. Litigation is expensive and disputes over contract award can result in discontinuing the procurement.

There are no written procedures on the timeliness of legal review for a contested bid award. Nor is there any indication that the Purchasing Agent and the Law Department have mutually pre-determined guidelines concerning either the precise areas of legal participation in the purchase process or dollar amounts that automatically receive the review of the Law Department.

Actual Practice

In our discussions with the Purchasing Division, it was indicated that:

1. The Purchasing Agent refers all unique purchase contracts to the Law Department that are over $200,000 in value, to determine:

   a. if the specific language for technical requirements is adequate;

   b. if the boiler plate language is adequate;

   c. if the commonality of language through the contract will eliminate any potential liability levels;

   d. if the purchase contract as written is a "standard" contract for the item being procured;

   e. if any extraordinary language is required for the proposed purchase contract.

2. The Purchasing Agent seeks the review of the Law Department to determine the exact intent of contract language used by a potential supplier if the vendor's document includes qualifying statements or conditions for delivery that impede the understanding of the contract.

3. The Purchasing Agent requests the participation of the Law Department in any written threat of suit regardless of dollar value that cannot be resolved between the non-award vendor and the Purchasing Department. At that time, all bid award proceedings are stopped until the Law Department:

   a. reviews the substance of the threatened suit and determines its validity and, makes a recommendation to either proceed with the bid award or

   b. prepares appropriate litigation action.

The Law Department confirmed its participation in litigation on behalf of the Purchasing Division, as well as its availability to review proposed purchase contracts of a unique and complex nature. However, there were several areas in which the Law Department expressed an interest in expanded participation. They were:

a. Review of Purchasing Division procurement forms.

b. Review of Purchasing Division internal instructions and procedures concerning the procurement process.

c. Participation in any Purchasing Division training of buyer personnel:

   (1) to make them aware of legal opinions relevant to their activities, and

   (2) to assure their understanding of basic legal principles for procurement activities.

Conclusions and Recommendations

The City's procurement ordinance allows many exceptions to standard competitive requirements. The exceptions are justified on the basis of flexibility needed to meet unforeseen circumstances such as emergencies and to reduce process cost. However, we believe certain exceptions should be changed.

We recommend that the Purchasing Division review emergency requisitions to determine whether repetitive purchases of commodities are occurring. These purchases could more appropriately be made under a term contract (W-contract).

The $50 direct voucher limit was established ten years ago under an administrative delegation of the Purchasing Agent's authority. We believe inflationary changes in conjunction with a trend to increasing departmental responsibility and accountability, argue for increasing the limit. However, we recognize that enforcing the limit has not been possible in the past and will not be possible in the future if current practices continue.

Since 1968, the value of the dollar (as determined by the Consumer Price Index) has decreased by almost one-half. Consequently, an increase to a $250 direct voucher would address both the inflationary dollar changes and be in line with the current policy to increase departmental responsibility. We recommend that Ordinance 101251 be amended to provide department heads with the authority to make purchases on the open market up to a $250 limit per purchase. The Ordinance should require that the Comptroller audit direct vouchering activities to ensure departments do not abuse the authority by splitting purchases into more than one voucher. The Ordinance should require departments to prepare annual reports indicating the number, type, and dollar amount of commodities procured. The reports would enable the Purchasing Division to add appropriate items to existing term contracts (W-contracts). The CFMS user's manual should be revised to reflect changes in direct vouchering procedures.

The Standards Committee established by Ordinance 102151 has not been active for many years. City standards have become outdated with little attention paid to standards development. We recommend that Ordinance 101251 be amended to abolish the Standards Committee and that the duties of the Committee be assigned to the Department of Contracting.

The Purchasing Division has not aggressively exercised its authority to prohibit restrictive specifications. The recommendation on page 1-3 would make the Purchasing Division part of a centralized ~~Board~~ Department of Contracting. This organizational change may have the effect of increasing the Purchasing Agent's visibility and implied authority. In any case, the Purchasing Agent should exercise his authority to prohibit restrictive specifications.

The Law Department expressed interest in expanding its participation in the procurement process. We recommend the Purchasing Agent continue initial responsibility for the resolution or settlement of performance and bid disputes. However, the Purchasing Agent should not act as an arbitrator or otherwise unilaterally decide a controversy with finality. The Purchasing Agent should be required to document all non-award vendor conferences. Documentation should include the reason for the conference, the Purchasing Division position, the non-award vendor position, and remedy. If a remedy is reached, the Purchasing Division should require the vendor to submit a signed paper stating agreement and accepting the outcome of the non-award conference. We further recommend:

- The Purchasing Agent should provide the Law Department with a report of all informal non-award vendor conferences that appear to be settled but may reappear as formal complaints requiring litigation.

- The Law Department should review the Purchasing Division's procurement forms and internal procedures related to the procurement process.

- The Purchasing Agent and the Law Department should develop an internal training program for Buyers.

PRINCIPLE 5 - SOCIAL AND ECONOMIC POLICIES

Description of the Principle

Governments often have policies for social change and local economic growth which they can influence through economic leverage exercised by spending public dollars. The procurement process, through which supplies, materials and equipment are acquired, is a frequently used vehicle to achieve these socio-economic policies.

Affirmative action and local economic development are the two most common policies which use the procurement process to affect change in private businesses. Social policies which the City supports include: (1) requiring vendors to prequalify to do business with the City by demonstrating that they are not discriminating and are making affirmative action efforts in their employment practices; and (2) seeking out and encouraging the use of minority and female owned and operated businesses and vendors in meeting the City's procurement needs. Many jurisdictions have local economic development policies giving preference to local business firms vis-a-vis firms from other localities or regions. The City does not currently have such "buy local" legislation. The Purchasing Division gives preference to local firms in a more informal manner. When there are sufficient firms locally to provide adequate competition, they do not seek bids from out-of-area firms. This practice is justified because past experience has shown that local vendors can usually provide the best combination of price (including freight costs), delivery schedule, and ability to provide local product servicing.

It should be noted that implementation of the social and economic policies frequently conflicts with other contracting principles and objectives, i.e., impartiality, efficiency and effectiveness.

The principle of impartiality conflicts with the social policy of requiring vendors to be prequalified in order to do business with the City. Some vendors may refuse to complete the required forms and therefore will be excluded from the opportunity to do business with the City. Impartiality also is in conflict with giving preference to women's and minority firms in obtaining City contracts. Seattle does not currently have such legislation. The conflict with impartiality in such legislation is that in most public jurisdictions contract awards are made to the lowest and best bidder. Lowest and best has evolved a legal meaning that may be in conflict with introducing such factors as the race and sex of the businesses' owners. The U.S. Supreme Court has several cases before it involving this issue.

Social policies conflict with efficiency and effectiveness also. Requiring that vendors be prequalified as an equal opportunity employer may place additional costs on the vendor in terms of training and recruitment which will be passed along to the customer in the form of higher prices. The extra paperwork and steps involved in assuring that vendors are prequalified results in higher processing costs in the Purchasing Division. The monitoring and enforcement functions of the Human Rights Department also add to the indirect costs associated with prequalification. These extra costs are in effect detrimental to efficiency and effectiveness.

If a program is devised to give preference to women's and minority firms, the City would pay higher costs for supplies, materials and equipment.

These conflicts all result in increased short-run costs, but if the policies are effective in promoting equal employment opportunity and developing a stronger base of women's and minority firms, then our City's economic base may be broadened, all people may become part of the mainstream of Seattle and Seattle will benefit because of it. In this light, the extra costs that we pay today could be viewed as investments in a better future, which makes the extra short-run costs worthwhile.

Description of Existing Laws, Procedures and Practices

Ordinance 101432

Ordinance 101432 was adopted in September, 1972. It deals with non-discrimination and affirmative action requirements for vendors, consultants and other contractors who wish to do business with the City. The monitoring and enforcement powers are placed in the Human Rights Department. Section 3.3 prescribes the requirements for City contracts for supplies, materials and equipment. This ordinance section requires that a non-discrimination clause be made a part of all such City contracts. It also requires that vendors take affirmative action steps in their hiring and promotional practices.

Each vendor is required to prequalify to do business with the City. Prequalification consists of the vendor submitting sufficient information to demonstrate compliance with Federal, State and local laws regarding discrimination to the Director of the Human Rights Department along with two required documents: (1) an employment profile; and (2) a sworn statement specifically setting forth what affirmative action the vendor will take to ensure equal employment opportunity. The contracting authority (the Purchasing Division) is allowed to waive the prequalification requirements in two circumstances:

(1) If needed supplies, materials and equipment are available only from a single source of supply; or

(2) If an emergency exists requiring the Purchasing Division to purchase needed supplies, materials and equipment in the open market without following normal competitive procurement practices.

Enforcement and monitoring powers are placed in the Human Rights Department. If, after investigation, a vendor is found to be in non-compliance with the requirements of Ordinance 101432 and the Purchasing Agent concurs, then the vendor's pre-qualification may be cancelled or suspended. This would preclude the vendor from receiving any City contracts during the period of cancellation or suspension.

Mayor's Policy Statement Number 77-100: Utilization of Women's and Minority Enterprises

On December 20, 1977, the former Mayor issued a policy which states that the City of Seattle will ensure full participation by women's and minority businesses in City contracting activity.

Primary features of the policy statement are:

1. The City will actively solicit bids and proposals from women's and minority businesses.

2. The City will provide technical assistance to women's and minority businesses in the procurement of City contracts.

PRINCIPLE 5 - SOCIAL AND ECONOMIC POLICIES

Description of the Principle

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Primary features of the policy statement are:

1. The City will actively solicit bids and proposals from women's and minority businesses.

2. The City will provide technical assistance to women's and minority businesses in the procurement of City contracts.

3. The City will establish separate goals for the utilization of women's and minority businesses.

4. The Directors of the Human Rights Department and the Office of Women's Rights are responsible for the implementation of this policy.

5. City contracting authorities are to cooperate in the implementation of this policy.

Standard Operating Procedure 100-034

In October 1978, a Standard Operating Procedure entitled, "Equal Employment Opportunity Provisions and Procedures for Contracts for the Purchase of Supplies, Materials or Equipment," was adopted. This procedure describes the responsibilities of and the procedures to be followed by the Human Rights Department, Office of Women's Rights and the Purchasing Division in implementing the provisions of Section 3.3 of Ordinance 101432. The Purchasing Division is responsible for disseminating information concerning pre-qualification requirements and keeping an up-to-date list of all prequalified vendors. Purchasing is also responsible for actively soliciting bids from minority and women's business firms. The Human Rights Department is responsible for reviewing, evaluating and monitoring the vendors' prequalification status and compliance. Both the Human Rights Department and the Office of Women's Rights are to provide the Purchasing Division with lists of women's and minority business firms.

Department Policy Procedure 109P-008

In August 1978, the Purchasing Division approved an internal operating procedure entitled, "Prequalification of Vendors," which established a uniform process for the prequalification effort. This internal procedure includes the following:

(1) An individual was assigned the duty of being the Division's Affirmative Action Coordinator.

(2) An updated list of prequalified vendors is to be maintained.

(3) Buyers are to ensure that all vendors are prequalified before accepting a bid or entering into any contract.

(4) Only prequalified vendors are to be included on bidder's lists maintained by Buyers./

(5) Bids are only to be solicited (written or oral) from prequalified vendors.

(6) Invitation to bid forms must include the following paragraph:

> "In compliance with the City's Affirmative Action Ordinance 101432, it is mandatory that all bidders be prequalified. If your firm is not already prequalified, blank Sworn Statement and Personnel Inventory Report forms are attached. Failure to complete and return the attached forms will preclude acceptance of your bid."

(7) Every purchase order is to have a letter code typed on the form indicating the vendor's prequalification status.

The only exceptions under which a Buyer may solicit and accept bids from or award the contract to a non-prequalified vendor are:

(1) The vendor is a sole source of supply;

(2) An emergency exists requiring an immediate purchase in the open market;

(3) The vendor is a government or non-profit agency.

All of these exceptions are allowed by Ordinance 101432.

The internal procedure clearly designates the individual responsibilities and detailed processing steps that must be followed by all Purchasing Division personnel.

The Human Rights Department contends that the Purchasing Division issues contracts to non-prequalified vendors in violation of Ordinance 101432. Because of this belief, a Human Rights Department Contract Compliance Officer has been spending from two to two-and-a-half hours each day in the Purchasing Division, reviewing completed purchase orders. This individual compares the name of the company that received the contract award with the names of prequalified vendors on the master list of prequalifiied vendors. He records any contracts which have been issued to non-prequalified vendors. Our review of the list showed that all of the contracts recorded were declared by the buyer to be sole source procurements. Sole source vendors are exempted from the prequalification requirement.

Our review of a sample of 49 standard purchase contracts showed that all vendors were prequalified. We found three contracts on which the vendor was not prequailfied at the time the purchase order was issued, but the vendor subsequently completed and returned the necessary prequalification forms. All three of these instances were sole source procurements which are specifically exempted by Ordinance 101432 from the prequalification requirement. The Purchasing Division has an internal operating procedure which states that it is Purchasing Division policy to prequalify all vendors, regardless of whether they are declared to be a sole source or not. Purchasing continues to mail forms to the vendor encouraging that they be completed and returned. It appears that in the instances cited above, the Purchasing Division succeeded in getting the vendors prequalified after the purchase order was issued.

Our review showed that the Purchasing Division has established an adequate system of internal control in regard to prequalification. Department Policy and Procedure 109P-008 establishes the procedures for assuring that all purchase orders are awarded to prequalified vendors. Our review has shown that this procedure is followed closely by all Purchasing personnel.

It might be argued that buyers in the Purchasing Division are too liberal in their use of the sole source designation. If this in fact were true, items could be declared to be sole sources, which would allow Purchasing to use vendors who were not prequalified. This would have the effect of bypassing prequalification requirements. Our review indicates that buyers have and need to have sufficient latitude and flexibility in developing specifications after receiving a requisition from a department. As a general rule, specifications should not be more restrictive than are the actual requirements of the department requisitioning the item. Occasionally, brand name merchandise, available only at a single source, is the only merchandise which will meet the department's needs. We found that buyers make a conscientious effort to avoid the use of sole sources of supply, but that their use is not always avoidable.

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After the Human Rights Department has reviewed and approved the vendor's prequalification packet, it is filed in three-ring binders in the Human Rights Department. Since Ordinance 101432 was adopted in September 1972, none of the information contained in these files has ever been updated for any of the prequalified vendors. This is the responsibility of the Human Rights Department. Because of this, the City is doing business with vendors based on information as old as six years, in many cases. Businesses can undergo significant changes in a period of several years including a complete turnover in personnel.

Our discussions with the Contract Compliance Officer who handles the contract compliance review of contracts for supplies, materials and equipment, indicates that actual compliance reviews of prequalified vendors is seldom done because of the existing work load involved with monitoring Purchasing two to two-and-a-half hours daily and reviewing and processing new prequalification packets. There are presently over 2600 prequalified vendors on file. It would be a monumental task to complete a review of the full list of these vendors. Monitoring of the vendor's performance is therefore almost non-existent. This makes the initial screening of the prequalification packet (Personnel Inventory Report and Sworn Statement) that much more critical, since personnel limitations in the Human Rights Department preclude the review of any significant number of vendors after they have been approved as prequalified. Our discussions with the Contract Compliance Officer indicate that the review emphasizes procedural aspects, such as the correct completion of the required forms, rather than a comparison of the existing levels of minorities and women to some predetermined minimum level of expected performance. Vendors will be routinely accepted as prequalified as long as the proper forms are submitted and completed properly, making prequalification a paper exercise rather than a substantive effort.

The Sworn Statement that is used for supplies, materials and equipment contracts is different from that used with Public Improvment contracts in that it does not include an employment percentage goals for women and minorities. The Sworn Statement does not include any specific employment ratios with which the vendor must comply.

Section 3.3 states that each vendor is to submit "a sworn statement as set out in Section 4 of this ordinance....." as one requirement for prequalification. However, Section 4 specifically excludes City contracts for the purchase of supplies, materials, or equipment from the requirement of including a sworn statement. A conflict exists between these two Ordinance sections. Legal interpretation rules generally state that where there is conflict between language in a law, the latest statement is binding. This would mean that no sworn statement is required.

We found that only one of the 49 contracts which we reviewed was awarded to women or minority business enterprise (WMBE). Our sample was of 1977 purchase contracts, however, and the Mayor's Policy Statement on utilization of women and minority business enterprises was not issued until December 20, 1977.

In 1978, both the Human Rights Department and the Office of Women's Rights have expanded their efforts to locate minority and female-owned firms to encourage them to actively seek City business. They have compiled directories of these businesses and have provided this information to the Purchasing Agent.

The Purchasing Agent has in turn informed the buyers to use these directories. The Purchasing Division also began compiling data in 1978 on their efforts in seeking out and using these firms. The following chart shows the results of these efforts.

CHART XI

January 1, 1978 through September 30, 1978 Statistics on the Utilization of Women and Minority Business Firms

	All Women and Minority Business Firms	Japanese National Firms Only	American-Owned Women and Minority Business Firms
Total # times WMBE contacted	271	13	258
Average # times contacted per month	30	1.4	29
Total # times received WMBE bids	196	8	188
% WMBE bid response	72%	62%	73%
Total # times WMBE awarded	126	3	123
% times WMBE awarded to times responded	64%	38%	65%
Total $ awarded	$996,772	$868,561	$128,211

The Human Rights Department has informed the Purchasing Division that foreign firms that are non-white owned can be counted as a minority business enterprise. As can be seen on Chart IV, three Japanese firms which operate in the United States received contracts totalling $868,561. One contract alone was to Hitachi America for $774,445. This is an odd way of keeping statistics for WMBE when the intent of the effort is to aid American WMBE, especially those operating locally. The statistics are being artificially inflated by including Japanese national firms. We fail to see how this aids WMBE goals in any way.

Conclusions and Recommendations

Women and Minority Business Enterprise

Very little data is currently available concerning women or minority owned and operated businesses in the metropolitan Seattle area. Only recently has information begun to be gathered on the numbers of these businesses. Less is known about the proportion of the total sales dollars that they represent. It is easy to conclude, however, that only a small percentage of the Seattle metropolitan area businesses are owned and operated by women or minorities.

In 1978, the City Purchasing Agent began to compile data on City contracts with and use of women's and minority-owned firms. The following table presents a summary of this data for this first nine months of 1978 for standard purchase orders.

	Number of Purchase Orders	% of Total Purchase Orders	Dollar Value of Total Purchase Orders	% of Total Purchase Order Dollar Value
WMBE	126	1.8	$ 996,772	4.7
Other Firms	6,814	98.2	20,423,246	95.3
Total	6,940	100.0	$ 21,420,018	100.0

As we mentioned in a previous section, foreign non-white firms operating in this country are included in the above totals. If these firms are not included, as we believe they should not be, the results would appear as follows:

	Number of Purchase Orders	% of Total Purchase Orders	Dollar Value of Total Purchase Orders	% of Total Purchase Order Dollar Value
WMBE	123	1.8	$ 128,211	.6
Other Firms	6,817	98.2	21,291,807	99.4
Total	6,940	100.0	21,420,018	100.0

Only 1.8% of the total purchase orders and .6% of the total dollar value of standard purchase order contracts went to women or minority owned businesses. Six-tenths of 1% of the total dollars spent by the City for supplies, materials and equipment is an unacceptable level, although understandable reasons exist for the present situation.

Several factors currently preclude these WMBE from securing a larger portion of the City's procurement business. These include the following:

(1) WMBE represent a small part of the total potential vendors.

(2) WMBE are small businesses with minimal capitalization.

(3) WMBE are unaware of potential opportunities to do business with the City.

(4) WMBE, like any small businesses, have difficulty in competing against larger firms on the basis of competitive bidding, especially when large quantity orders are involved.

We recommend that the Human Rights Department and the Office of Women's Rights continue an active campaign to locate and inform WMBE about potential opportunities with the City.

In line with our recommendation on Page 58, that Purchasing redevelop its vendor lists and expand solicitation to a larger number of vendors, we recommend that the expanded vendor's list include as many WMBE as can be identified. This would help to assure that WMBE are provided an equal opportunity to participate in the City procurement process.

Prequalification and Monitoring

In light of our finding that the Purchasing Division has established an adequate system of internal control to ensure that contracts are only awarded to prequalified vendors and that this system is being followed by Purchasing Division personnel, we recommend that the Human Rights Department discontinue their daily monitoring of this activity. We found that the only non-prequalified vendors who received contract awards were awarded the contract because they were declared to be sole sources of supply. Sole sources of supply are exempt from prequalification requirements by Ordinance 101432. The Purchasing Division attempts to get the vendor to complete the prequalification packet after the contract award in all such cases anyway. The 2.0 to 2.5 hours per day spent by the HRD Contract Compliance Officer could be better used in other activities.

We recommend that the HRD Contract Compliance Officer devote more time to prescreening of prequalification packets. If firms cannot adequately demonstrate their commitment to equal employment opportunity, they should be rejected as potential City vendors. The form of the information submitted should not be as important as the substance. We recommend that Section 3.3 of Ordinance 101432 be revised to require annually updated information from all firms on the prequalified vendor's list.

This information should include some means of judging if the firm had in fact made measurable progress toward improving its employment profile, if improvement was warranted. Closely held family businesses should be exempted from this requirement.

We also recommend that the Contract Compliance Officer direct his efforts toward monitoring the firms who have the highest dollar volume of sales with the City.

We also recommend that Section 3.3 and Section 4 of Ordinance 101432 be revised to correct a contradiction between these two sections. Section 3.3 states that one item required to prequalify a vendor is "A sworn statement as set out in Section 4 of this ordinance....." However, Section 4 states, "All City contracts covered by this ordinance except those for the purchase of supplies, materials or equipment, shall include a sworn statement specifically setting forth what affirmative action the contractor will take to insure equality of opportunity in employment during the term of the contract." (Emphasis added.) We recommend that the language of Section 4 be changed to delete the phrase, "except those for the purchase of supplies, materials, or equipment."

CHAPTER III

SERVICES CONTRACTING

Background

For this study, services contracting has been defined very broadly, encompassing any service for which a contract is issued. Service is defined as the performance of labor for the benefit of another but does not include labor procured under public works contracts. Examples of services are: janitorial, architectural and engineering, office machine maintenance, and expert witnesses for court proceedings.

The current City practice is to distinguish between (a) expert and consultant services for which an expert and consultant contract is issued and (b) nonprofessional services for which a purchase order is issued. Each type is administered differently but the distinction is unclear.

In addition to the above, departments issue other service contracts with slightly different features:

"Personal Services Agreements," issued by all City Departments for personal services.

"Technical Services Agreements," issued by the Engineering Department for technical services (e.g., graphics) costing less than $5,000.

"Agency Service Agreements," issued by the Department of Human Resources (e.g., child care contracts). The Department describes the agreements as contracts with various community resources and agencies to provide specific services at specific costs. "Conceptually, this process is not unlike a business purchasing janitorial services from a building maintenance firm. . ."

"Agreements" are issued by the Arts Commission for procurement of special artistic talent.

In September 1978, the Municipal League issued a report highly critical of the way the City selects consultants. The League concluded the City's handling of consultant contracts was chaotic. Based on our review, we agree the City's administration of consultant contracts is inadequate. Lack of direction and enforcement have resulted in a plethora of service contracting procedures and practices -- some good, some bad.

When a City department decides to procure services there are a number of ways to proceed. The department could choose to use one of two centralized procurement offices, the Purchasing Division or the Board of Public Works. Generally, but not always, the Purchasing Division administers non-professional services (which can be procured through competitive bidding) and the Board administers architectural and engineering services. The department could choose to administer a contract itself; in this case the contract is called an expert and consultant contract or a special form contract and is exempt from procdural requirements established by the Purchasing Division and the Board of Public Works.

Our discussion of services contracting is organized as follows:

(1) Service contracts administered by the Purchasing Division.

(2) Service contracts administered by the Board of Public Works.

(3) Service contracts administered by City departments.

SERVICE CONTRACTS ADMINISTERED BY THE PURCHASING DIVISION

In addition to purchasing supplies, materials and equipment, the Division of Purchasing is also responsible for acquiring services other than expert and consultant services. The process for acquiring these services is similar to the purchase of supplies, materials and equipment because these services fall under the provisions of the City's Purchasing Ordinance, and most services are acquired through a competitive bidding process. The general services purchased through the Purchasing Division do not include those services defined as expert or consultant services and do not include services acquired through Personal Service Agreements, Technical Service Agreements, Agency Service Agreements, Design Contracts, Expert and Consultant Contracts, Inter-Agency Agreements, and Letter Contracts.

Purchase order service contracts are normally used to cover requirements for non-professional services such as window washing, landscape maintenance, and laundry. They may be formally advertised or negotiated contracts depending on considerations such as the number of sources of supply and the dollar value of the contract.[1] One source defines these ordinary or general personal services as "services which result in a tangible or visible product other than a report, but which do not require a higher level of training or experience."[2]

Non-professional services are procured by the City through its Purchasing Division in the same manner as supplies, materials and equipment, previously discussed in Chapter II. Legislation and regulations, as well as practices and procedures, outlined in that chapter also apply to non-professional services.

The Purchasing Division currently uses three methods of acquiring services: (1) annual or periodic "W" contracts in which the contractor is to supply services to any City department or agency for a set unit price; (2) regular service contracts which are let out bid following the standard procedures used for supplies, materials and equipment; and (3) "R" or emergency purchase orders for services. The requesting departments are assigned emergency purchase order numbers which allow them to order directly from the vendor thus minimizing Division involvement. "R" service contracts are not specifically discussed in this section, as they are included in the "R" contract sample discussed in Chapter Two.

The Purchasing Division was unable to provide data on "W" contracts for all of 1977; during the first six months, the Division established 110 service "W" contracts and expended approximately $425,000 on 84 contracts. Assuming that expenditures continued at the same rate for the entire year, we estimate that the City spent over $850,000 for services on term contracts in 1977. Six month expenditures per contract ranged from under $100 to more than $63,000. We reviewed four contracts with six-month payments totalling $5,000 or more and one contract for less than $5,000. From information provided by the Division, the number of "W" service contracts grew to more than 130 in 1978; no data was available from the Division on actual 1978 expenditures.

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[1] G.W. Aljian, Purchasing Handbook, 2nd edition, 1966.

[2] Procurement Management Associates, "Personal Services Contracting."

The Division provided us with a list of 127 service contracts which were awarded in 1977 through standard purchase order procedures. The values of these contracts ranged from $100 to more than $30,000. We reviewed twelve of these contracts, which ranged in value from under $900 to over $80,000, and whose average value was approximately $10,900. We also contacted twelve department personnel requisitioning services as well as eight contractors.

Principle I — IMPARTIALITY

Current Procedures and Practices

Non-professional services contracts are handled in the same manner as supplies, materials and equipment. Please refer to Chapter Two for a full discussion of existing legislation and procedures.

Of the five "W" service contracts reviewed, two were advertised and competitively bid, one was an extension of a competitively bid contract, and two were sole source contracts. Of the twelve regular service contracts reviewed, two were advertised and competitively bid and two were competitively bid but not advertised, two were sole source, and six were extensions of previously bid contracts.

In reviewing the sample contracts, we found that prescribed procedures had been followed. Although a number of contracts were extensions of contracts bid earlier, we found that the extensions were limited, had been specified as options in the original contracts, and allowed either lower bids or improved performance on the part of the contractor.

For those contracts which were advertised, public notice was achieved by announcement in the City's official newspaper as required by ordinance. For those contracts competitively bid but not advertised, the prospective bidders list was developed by the buyer handling that particular commodity or service. It appeared to us that the buyers' knowledge of contractors was adequate and that lists remained up to date. Some prequalification is done, primarily informally, based on contractors' previous performance -- when a contractor consistently fails to perform adequately, the firm is not invited to bid, although all bids are accepted. Although buyers have a great deal of discretion we did not observe any evidence of unwarranted bias or inappropriate use of that discretion. We discussed the Purchasing Divison's performance and procedures with a number of the contractors and found them to be uniformly complimentary of the Division.

In reviewing those contracts for which invitations to bid were issued, we found there was sufficient time for contractors to respond (usually one to two weeks). The scope of work in invitations to bid were clearly defined and indicated the basis for selection. The invitaitons were sent to an adequate number of potential bidders as required by ordinance.

For all contracts, except single source contracts, award was made on the basis of lowest bid. Bids were analyzed by the buyer, often in cooperation with user department personnel. All documentation indicated that evaluative criteria were impartially applied. Bids were publicly opened and were available for public scrutiny; bid tallies remain available for public review.

Sole source contracts were awarded in those cases where only one contractor was available or able to perform. The decision that a sole source situation existed was made by the buyers. Negotiations were not documented.

We found that all contracts reviewed appeared to have been impartially awarded and that current practices and procedures appear to be adequate.

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For those contracts which were advertised, public notice was achieved by announcement in the City's official newspaper as required by ordinance. For those contracts competitively bid but not advertised, the prospective bidders list was developed by the buyer handling that particular commodity or service. It appeared to us that the buyers' knowledge of contractors was adequate and that lists remained up to date. Some prequalification is done, primarily informally, based on contractors' previous performance -- when a contractor consistently fails to perform adequately, the firm is not invited to bid, although all bids are accepted. Although buyers have a great deal of discretion we did not observe any evidence of unwarranted bias or inappropriate use of that discretion. We discussed the Purchasing Divison's performance and procedures with a number of the contractors and found them to be uniformly complimentary of the Division.

In reviewing those contracts for which invitations to bid were issued, we found there was sufficient time for contractors to respond (usually one to two weeks). The scope of work in invitations to bid were clearly defined and indicated the basis for selection. The invitaitons were sent to an adequate number of potential bidders as required by ordinance.

For all contracts, except single source contracts, award was made on the basis of lowest bid. Bids were analyzed by the buyer, often in cooperation with user department personnel. All documentation indicated that evaluative criteria were impartially applied. Bids were publicly opened and were available for public scrutiny; bid tallies remain available for public review.

Sole source contracts were awarded in those cases where only one contractor was available or able to perform. The decision that a sole source situation existed was made by the buyers. Negotiations were not documented.

We found that all contracts reviewed appeared to have been impartially awarded and that current practices and procedures appear to be adequate.

The primary weakness was the evaluation of contractors' performance and subsequent prequalification. All buyers indicated the difficulty of awarding contracts on the basis of lowest and best bid, consequently virtually all contracts are awarded on the basis of lowest bid. For example, janitorial contracts are awarded on the basis of low bid, although buyers believe that the overall cost of such contracts could be lower by awarding to lowest and best because of on-going performance problems with many "lowest bid" contractors. Buyers felt that it required a great deal of documentation to determine that a contractor's bid was not acceptable due to poor past performance. Currently there is no written evaluation of a firm upon completion or termination of a contract; thus, all information is "kept in a buyer's head." This may create problems when a buyer leaves the division or is transferred to other duties, as whoever is assigned to the commodity or service must learn by experience.

Principle II - RESPONSIBILITY AND ACCOUNTABILITY

The responsibility for service contracting lies in the Division of Purchasing, primarily with the buyers, but responsibility for some functions, such as receiving, has been delegated to the departments. Buyers, with certain restrictions, select the contractor, although the formal authority to do so lies with the Purchasing Agent; the buyers also monitor the contracts during the term of the contract. We found no evidence that formal procedures were not followed in selection and monitoring of contracts.

Management Control

Internal policy and procedure documents have been developed by the Division, although evaluation procedures relative to these documents have not. Management review and control appears to be adequate within the Division; buyers have and use broad discretionary powers, but appear to be adequately supervised.

We did find that the Law Department could be more involved in some cases. Several legal questions arose during the term of one contract which were handled by the buyer on the basis of information received from the State; we believe the buyer should have consulted the City Attorney's Office. However, the buyer had received very poor response from the City Attorney's Office in the past and decided that it would not be worthwhile to involve them.

Openness to Public Scrutiny

Other departmental personnel and outside contractors were very satisfied with the current system, and all felt it was an open, easily understood process. Contract documents were open to the public and there were no apparent problems in this area.

Principle III - EFFICIENCY AND EFFECTIVENESS

Responsiveness and Flexibility

Our review of contracts indicates the Purchasing Division usually completes purchase of services within three to four weeks of receiving a requisition. One exception was a Health Department data processing contract. Approval of the contract extension took an additional month because of the length of time for OMB/MIS to review the request.

In general, we felt that the process was appropriate and relatively efficient. It appears there is sufficient flexibility within the system to deal with emergency situations and to provide the most efficient processing of small and single source contracts.

Quality

The specifications for the contracts which we reviewed appeared to be complete without being unnecessarily restrictive. User departments and contractors expressed no problems with specifications.

We are concerned that the general conditions used with various service contracts have not been updated or reviewed recently with the City Attorney.

Six of the regular service contracts reviewed were in fact change orders to previous contracts to allow time extentions to the earlier contracts. In most cases remuneration levels were increased, but in one contract they remained at the earlier level and in another decreased. Both buyers and contractors felt that the extension option in service contracts was a valuable feature, as it enabled the contractor a longer period of time over which to recover initial costs and allowed improved planning. The City therefore benefitted from lower bids and/or improved performance. Extension options are identified in the original contracts and are limited to two o five years.

All user departments indicated satisfaction w .h the services received, with the exception that janitorial contracts remain an on-going problem. This particular problem might be overcome by the use of lowest and best criteria in awarding contracts, if documentation of previous performance was available.

In conclusion, we felt that the specifications were developed to adequately insure the quality of service.

Recommendations

Recommendations in Chapter Two on procurement of supplies, materials, and equipment also apply to non-professional services procured by the Purchasing Agent. Relevant recommendations are:

- Develop a vendor rating system and document vendor performance to be used in lowest and best bid evaluation;

- Require City Attorney's Office review of contract documents and internal procedures.

SERVICE CONTRACTS ADMINISTERED BY THE BOARD OF PUBLIC WORKS

Existing Legislation and Regulations

The 1977 Charter Amendment states that the purpose of the Board will be "to ensure that all contracts for public works projects awarded by the City are developed and carried out in a manner consistent with all applicable City ordinances and state and federal laws."

Ordinance 106354 authorizes "the City Engineer under the direction of the Board of Public Works, and the Superintendent of Parks and Recreation are authorized to hire expert and consultant services in connection with projects requiring development by their respective departments. . ."

Ordinance 106216 authorizes "the City Engineer to retain consultants on an annual contract basis for the performance of expert and intermittent services" to a maximum of $10,000.

The Board of Public Works has established certain procedures to be followed by Board departments in consultant services. These include:

1. Notification of need for services and request of approval of the BPW.
2. Advertising (may be discretionary).
3. Departmental evalution of applicants.
4. Submission of recommendation for consultant to the BPW.
5. BPW review of recommendation and signing of contract.

The regulations also state that if advertised, the project will be advertised once in the City's official newspaper and that fees may be paid on one of the following bases:

1. not to exceed lump sum;
2. cost per unit of work;
3. cost plus fixed fee.

During 1977, 173 professional services contracts with an approximate value of $4,430,000 were approved by the Board of Public Works. We selected 22 design related, non-addendum contracts for this study, which consisted of a review of the contract and available supporting documentation, and interviews with City staff who negotiated the contracts. The contracts ranged in value from $600 to $945,000.

Principle I - IMPARTIALITY

Current Procedures

36% of the contracts reviewed were awarded on the basis of competitive negotiation, in which two or more firms are considered; 41% were awarded through non-competitive negotiations, in which only one firm was considered; and 19% were awarded to firms which had done work on the project previously. No contracts were bid.

All departments now encourage use of competitively negotiated contracts and advertise for consultant work. Exceptions to this practice are for relatively small projects, those with special considerations or constraints and projects for which the designer was previously retained (referred to here as "follow-up" contracts). We found that at times some departments have had an informal policy of giving preference to firms located in Seattle, although no policy of residency requirements or preference has been formally established by the City.

Although Board of Public Works regulations require advertising of all consultant contracts, 13 of the 22 contracts were not advertised. Of these two were retainer contracts at hourly rates, two for amounts under $1,000, four for amounts between $3,500 and $10,000 and five for amounts between $10,000 and $50,000. Departments' justification for not advertising these jobs was that the non-competitive contract was a means of spreading work among a few available firms, that the firm had been specifically recommended for the work by City staff, that a "sole source" situation existed where only one qualified consultant was available, that there were time constraints (i.e., grant deadlines) and/or that the firm had done previous work on the site or project.

Upon reviewing the contracts, we felt that only three and possibly five of the contracts were properly not advertised. The two contracts under $1,000 involved extremely small jobs with emergency time constraints or follow-up work to a previous job. Another

smaller contract ($3,475) involved highly technical work at a site at which the firm had done other work. A fourth contract ($7,800) involved time constraints because of threatened legal action against the City; the Board of Public Works approved negotiating with the firm. Again the Board was requested to and did approve a non-competitive contract in a fifth situation where a large contract ($50,000) was awarded to a firm for additional materials analysis at a site where they had previously worked.

In the remaining eight cases, we believe that there was not sufficient justification for disregarding Board of Public Works regulations calling for advertising of projects. These eight included five Parks projects, two Building Department projects, and one City Light project. The Parks projects involved three inspection contracts for a total of $47,000, two design contracts for which the department felt that in one case ($12,500) a "sole source" situation existed and in the other ($36,000) the work followed a previous phase of a project. In the first case, we were not given documentation or proof that the firm was indeed the only qualified firm, although they had done a great deal of work for the department previously. In the second case, a second phase design contract was awarded to the firm which completed the first phase. We believe that completion of a first phase design contract should not automatically guarantee a designer of receiving contracts for all additional phases. The Building Department awarded two engineering services retainer contracts which were not advertised, although similar contracts in the Engineering and City Light Departments have been advertised successfully. Finally, a highly technical $3,500 City Light contract for microwave path work was justified as a "sole source" contract; however, documentation which supported this decision was not available.

The Seattle Design Commission is an important element in the consultant selection procedure, as it makes recommendations to the department from an initial list of consultants povided by a department. Questions relating to impartiality of the existing and past Design Commission recommendations were raised in the process of this study. The issue of the Commission's functions and actions are discussed in a separate report.

Public Notice

Board of Public Works Regulations for advertising consulting services are contradictory. Paragraph 2 of the Regulations stipulate that:

> Public Works Projects requiring consultant service should be made known through the press and an official notice published in the City official newspaper prior to the awarding or negotiation for the consultant services required. (One insert only.)

Paragraph 5 states:

> At the discretion of the department head, an advertisement calling attention to the proposed service should be placed in the City official newspaper (emphasis provided).

All competitively negotiated contracts were advertised in the City's official newspaper, the Daily Journal of Commerce. Most were advertised two or three times. The average period of time between initial advertising and the date for submissions was two weeks. With one exception, all consultant firms interviewed indicated that two weeks was adequate time to respond, and that time for development of proposals was sufficient. One of the two departments which maintain a consultant file, the Engineering Department, now require that a firm must respond to an advertisement to be considered. In the past, the file was reviewed and then particular firms were asked for proposals or letters of interest; this process is being replaced by use of advertising. The Building Department, which also maintains a file, advertises most projects.

The only prequalification requirement for City contracts is an interview by the Design Commission. Qualification by the Design Commission is not restrictive; basically, they are interested in the general structure, experience and capability of firms. Before a contract is signed, the contractor must be approved by the Department of Human Rights; however, this need not take place prior to the consultant's selection.

Request for Proposal

All departments surveyed request letters of interest when advertising projects. The advertisements generally state the type of project and services required. Notices developed by the Engineering Department provide the most detail in describing the projects, the scope of work, and necessary qualifications, City Light ranks second and the Parks Department provides the least detail. All advertisements refer potential contractors to the department for additional information, a request for proposal or for the project program or detailed scope of work. The average period of time between the requests for letters of interest and qualifications and the closing date was two weeks.

The request for proposals ranged from 3 to 13 pages and included detailed description of what was to be included in the proposal. Selection criteria cited included: management capabilities, general-technical and non-managerial capabilities, technical investigative capabilities, associated technical capability, study design and management, and quality and appropriateness of the proposal.

Consultants interviewed stated that the more detailed RFP's allowed them to be more responsive to the department's needs. They felt it was important to know on what basis the proposals would be judged.

Evaluation

At this time there is no ordinance outlining City-wide evaluative procedures for public work consultant contracting. The Board of Public Works regulations stipulate only that: "The department head shall receive and evaluate the qualifications of the individuals who indicate an interest in performing the desired work."

All departments select consultants based on qualitative criteria, such as: general management capability, general technical capability, specific technical ability, previous experience, size of firm, record of past performance. Although no department has used cost as a sole or primary criteria for selection, the Water Department requests cost estimates as part of the proposals it receives. City Light has also discussed cost during the interview process for at least one project. The Parks Department requested cost be included in the proposals for one project and received a heated response from design professionals; the request was then clarified as a request for cost range estimates. No department appears to have used a double-envelope system in which cost estimates are submitted and considered separately and secondarily to other selection criteria, although there is the potential for doing so. The Engineering Department expressed concern about any "appearance" of bidding because of problems with federal law and the City's ability to retain quality of design.

A consultant selection board or committee was used for all competitively negotiated contracts. These boards were made up of City employees who interviewed, ranked and make recommendations regarding consultant selection. The Parks Department and City Light also involved citizens on some boards. The general consensus is that the boards are successful and should be a part of the process. Boards were not used for non-competitive contracts.

Generally, negotiation sessions for City contracts are not well documented; therefore, we cannot determine generally how well the City does in negotiating contracts. The best documentation is a detailed analysis of man-hour negotiations prepared by the Engineering Department. The department prepares a cost and man-hour estimate prior to negotiation. Little or no negotiation documentation was available for the Parks and Building Department contracts reviewed.

We found that the saving negotiated for the City appeared to relate directly to the detail and documentation of negotiations. In four out of five Parks Department contracts, the department accepted the consultant's initial proposal; the department negotiated the amount downward by several hundred dollars in the fifth contract. The Building Department accepted three proposals and negotiated one downward by $1,500. In contrast, all Engineering Department contracts were negotiated downward; in one case the saving was $600; in another, the number of hours proposed by the consultant was reduced by 29%. Although the types and sizes of the projects varied, we felt that a definite pattern emerged in which the most extensive prenegotiation estimating leads to lower City costs.

Proposals were publicly evaluated to the extent that the questions and rating sheets are available in City files and that citizens have served on some selection boards. Some departments question what information can be made public about specific proposals and firms' performance; however, most departments and all consultants interviewed felt that all files were available to the public.

The negotiation process should be based on the City's technical and cost evaluations as well as the designer's proposal. The City should have a predetermined negotiation position and plan. As recommended by General Service Administration:

> "The negotiation and discussions should cover the project requirements, time constraints, the completion time, the construction cost limitations, the contract documents, and the A-E costs, with adjustments as necessary to reach mutual agreement by all parties present."[1]

None of the unsuccessful candidates were told of their relative standing or of the reasons for not being selected, although all consultants felt it would be helpful to them. Several firms informally review their performance with the department after selection.

The department heads are the final authority as to whether a contract is to be competitive. However, the sample indicated that in most cases the decision was based on a staff recommendation. A decision to use a non-competitive process was based on perceived "special conditions," such as time constraints, size of contract, lack of qualified applicants, sole source. Little documentation regarding the decision was found.

The amount and degree of negotiation differed substantially among the five departments involved in the survey. The most detailed negotiations are conducted by the Engineering, City Light and Water Departments.[2] The least negotiation results from internally estimating costs plus fixed fee to a maximum amount payable. Although the Parks Department has instituted the practice of requesting man-hour breakdowns of proposals, detailed internal estimates are not prepared to verify consultants' proposed hours, thus eliminating

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[1] General Services Administration, Architect-Engineer Selection Procedures, 1975, p. 10

[2] The Water Department rarely administers design contracts, as most are handled by the Engineering Department. Our sample contract appears to be an exception to general departmental practices.

one negotiation tool. Although Parks Department project management staff review man-hour proposals, it is our opinion that they lack the technical background to review technical allocations of time adequately. The department does have technically qualified staff; but they are normally not involved in the negotiation process. Parks Department contract cost control may improve merely by increasing involvement of existing technical staff and preparing more detailed scopes of work.

Finally, the Parks Department has continued to use lump sum contracts exclusively. The department has claimed that the lump sum amount which may be based on American Institute of Landscape Architects' guidelines is very close to a designer's actual cost plus a fixed fee amount. However, as the department has never audited a consultant's books, there appears no quantified support for this statement.

Principle II - RESPONSIBILITY AND ACCOUNTABILITY

Current Procedures

In all departments surveyed, the authority to select consultants lies ultimately with the department head. However, in each department the preliminary selection is made by selection committees or boards which then make a recommendation to the department head. In all contracts reviewed that recommendation was followed. As an example, the City Engineer is a member of all consultant selection boards within his department and has the deciding vote in case of a tie between firms.

In all departments, contracts are monitored by the project engineer or project manager assigned to the project. The project manager reviews the project's process, compliance with the contract, and all billings. These are then usually countersigned by a superior. The Engineering Department also has billings reviewed by the Comptroller's auditor.

Review of sample contracts indicated that established procedures and practices are followed in consultant selection and contract negotiation within each department. There is no uniform practice throughout the City.

It appears that policy and other decisions are made by the department head and upper management in all departments, with support and recommendations from project staff. The most effective organization seems to be that of the Engineering Department, which uses a team approach to contracting. The project engineer, who has a technical background, works closely with a contracting specialist. It appears that this approach has been successful in allowing project management control, while supplementing it with contracting expertise. The Board of Public Works currently has the authority and responsibility to formally award contracts. However, it appears that the Board follows the departments recommendations and exercises little leadership in this area.

Management Control

The Board of Public Works has a "suggested" standard contract; however, none of the departmental personnel interviewed were aware of the Board of Public Works' "suggested" contract format. Currently the City Attorney's Office does not review contracts prior to approval, although the City Attorney has reviewed the BPW form. Standard boilerplate, which differs from department to department, is used by all departments, and they all claim that it was been reviewed by the City Attorney's Office at some time. (All departments indicated that it had been at least several years since a complete review of their contracting documents had been completed.) All said they discussed particular problems with the City Attorney's Office when necessary. The Parks Department is currently reviewing its standard contract.

Departments do not have a way to assure consistent application of policy and procedures throughout the City and to inform City employees of expected performance. There are no City-wide policies or procedures. This creates confusion among consultants. As an example, an architect may fill out three different forms to be filed for City work. Among departments, the Engineering Department has the most detailed procedures. The Parks Department has developed written procedures this past year. Contracting procedures do not include criteria for performance reviews of those involved in the contracting process.

Management control is exerted through project management staff and departmental approvals of consultant billings; project managers approve all invoices before payment. It appears to be responsive; however, some who are familiar with work completed state there is the need to develop standard City-wide procedures. In general, documentation of the process for management control suggested no apparent problem, although systems vary throughout the City.

Only the Engineering Department has ever used a post-completion performance review, dealing with the type of project and the responsiveness, organization, efficiency, presentation and quality of products. However, it has not been consistently used by all project managers for the past several years. The contracting section is now attempting to develop compliance with the departmental procedure.

Again, only the Engineering Deaprtment has had independent audits performed during the last year. These audits are conducted by the Comptroller and consist of review of a firm's accounting records and all City payments.

Public Review

Competitively negotiated contracts appear to be adequately advertised. Project files are generally available to the public, although there appears to be some question regarding legal liability for releasing information on specific firms and/or proposals. This should be reviewed by the City Attorney's Office and a City-wide policy developed.

Involvement of citizens on consultant selection boards by the Parks and Lighting Departments appears to have successfully improved citizen and community groups' participation in the process.

Principle III - COMPETENCE

Departmental personnel commented that staff negotiating design contracts have little or not significant formal training in contracting. The best trained contracting staff was the Grants and Contracting Section of the Engineering Department. These persons have had "on-the-job" training supplemented by available reading and one has attended a short course on contracting. This section is the most aware of potential training courses, including University of Washington law classes, and Association of General Contractors and American Public Works Association contracting law courses. Other contracting personnel throughout the City appeared to be generally unaware of specific training opportunities, although all cited the need for improved training. All departments cited a budget shortage as a primary factor in not having improved training. In general, however, professional training in contracting is not strongly encouraged by the departments. The need for training extends to project managers and engineers as well as contracting specialists.

Principle IV - EFFICIENCY AND EFFECTIVENESS

Lapsed time of the contracting process from preparation of scope of work to award ranged

from one week to nine months. The shortest time periods were for non-competitive contracts funded by EDA; the longest for a million dollar environmental study.

Most persons interviewed felt there was little that could be done to shorten the process or to make it more flexible and/or responsive, given the nature of public contracting. Areas of concern most frequently mentioned were the Design Commission and Human Rights approval processes.

All City personnel and most consultants interviewed indicated satisfaction with the contract documents. Of the 22 contracts reviewed, only three had addenda. Two addenda were for work phases planned prior to contract award. In the other case, addenda were required because of unexpected soil conditions. In all cases, project managers and engineers felt that the contractors had performed adequately or well. Although we did not review construction documents, departments felt that the City had received design services specified in the contracts.

Six contracts from the Parks, Engineering, Lighting and Water Departments were reviewed to determine if the City had received the deliverables specified in the contracts. In each case, the City had received the work specified.

Consultant Response

We interviewed seven design consultants who had sone work for the City. Four had been involved in the contracts reviewed; the other three had expressed particular concern or interest in the process.

The four firms which had held City contracts estimated that in 1977 they had submitted letters of interest for 3 to 8 projects and had been awarded one or two contracts during that period. All contracts were competitively negotiated.

The designers felt that the City's performance in selecting contractors ranged from fair to good or better than other public agencies. One consultant felt the selection procedure was overly complicated and suggested that selection should be made on the basis of resumes and references rather than specific proposals. All felt that the selections had been impartial. Requests for proposals and scopes of work were readily available, advertised far enough in advance of the closing date, available for a long enough period of time and were prepared adequately.

All firms had been interviewed by the Design Commission. Some were aware of departmental consultant files; some were not.

All felt that understandable information about doing business with the City was available to anyone who was interested. All necessary documents were available. No firm had a problem with the "openness" principle allowing public scrutiny. The consultants felt that City employees' contracting knowledge and expertise were good or as good as in other agencies.

All stated that City work was a good business opportunity. Two firms felt that it was more difficult than working with private clients because of extended review times and payment periods. One consultant stated that once the contract was negotiated, the City was better to work with than private clients and most public agencies. The City was rated well against other public agencies by all firms.

All consultants felt that the City monitored contracts adequately or well. One firm stated that the review process could be better organized and more timely, but this might

have resulted from understaffing. All stated they had been dealt with fairly. Disputes had been handled fairly, through discussion and negotiation; these were primarily related to fees for additional work and subconsultants.

The City's affirmative action program had little or no impact on the firm's personnel or contracting practices.

Comments included a statement on the increase of paper work and a suggestion that an updated EEO file with audits of the files should be adequate instead of the current process of files and interviews as well as compliance monitoring.

Both firms who had dealt with more than one department noted differences in procedures between departments. These differences included departments' attitudes toward and support of Design Commission review comments.

The firms felt they had been successful in getting City contracts because of their ability and qualifications, time spent in understanding the project, service, reputation, range of experience, being able to relate to the project, and luck. Two firms felt they had not received some contracts because they just weren't lucky or had other City work ongoing at the time.

The consultants generally felt that the City has aided local economic development. One firm felt it had helped minority businesses and that local residency preferences were good. Another felt that the City was making a mistake insisting on minority contractors, that residence preferences were too restrictive, and that work should be passed around to different firms if all else were equal.

One firm stated that the City was not advertising projects and was not allowing adequate response time. We investigated this claim and found that the project cited had been advertised ten times over a one month period, during which 36 firms submitted 26 responses.

Recommendations

We believe architectural and engineering consultant contracts should be subject to the same requirements as other consultant or professional contracts. Our recommendations for consultant contracts are described later in this chapter.

SERVICE CONTRACTS ADMINISTERED BY CITY DEPARTMENTS

City Ordinance 102151 requires that the Purchasing Agent contract for all services required for any City department with the sole exception of contracts for "expert and consultant" services. Assuming compliance with this Ordinance it could be further assumed that all contracts entered into directly by various City departments would only appropriately include "expert and consultant" services. However, the sample of such contracts selected from the Comptroller's files included a variety of contracts that were not limited to the acquisition of expert or consultant services. The Departments contracting directly for these non-expert or consultant services believed that these contracts were outside the purview of either of the City's centralized contracting organizations. Examples of the non-expert or consultant services that were obtained directly by City agencies include: child care services; minor home repairs for senior citizens; contracts with various agencies for CETA employees; recreational activity supervision; contracts for food provision; publication of a newsletter; transportation services; as well as a variety of personal services contracts for temporary support to regular department staff.

The majority of these City contracts are with private or non-profit agencies and involve grant funding. Of these contracts the CETA and Agency Services Agreement constitute the largest aggregate dollar value and are described later in separate categories.

We selected a random sample of 1977 contracts from the City Comptroller's file of contracts entered into directly by various City departments. The sample included 38 contracts totalling $1,241,225, entered into by thirteen City departments. The dollar value ranged from $105 to $300,090; the average contract was approximately $25,000. Copies of each of these contracts were obtained and reviewed together with available correspondence and the Comptroller's payment records. From this sample, fifteen contracts were selected for detailed case study analysis of:

-- The circumstances and procedures used to select the consultant;

-- The management practices used to monitor the contractors' performance;

-- The methodology used to determine project completion, accept completed work products and approve payment.

We interviewed individuals in the contracting department with the authority to select and manage the work of the contractor and to authorize payment. The study also included interviews with various City departments whose contracts were not included in the case studies, but that had developed internal uniform policy or procedure statements relating to the selection and use of consultants. With the assistance of the Law Department, the assigned study staff also reviewed applicable State laws and City ordinances and related Law Department opinions. The Law Department reviewed the appropriateness of particular contracts and provided invaluable informal advice. The study staff also consulted the recent report on City Consultant Contracting produced by the Municipal League and discussed the report's recommendations with members of the League's City Operations Task Force. Officials from the State Office of Fiscal Management and the Federal General Services Administration were contracted to determine their consultant contracting practices.

Findings

One singularly noteworthy observation about City consultant contracting is the lack of uniformity among, and often within, departments. Unlike contracts executed by the Board of Public Works or the Purchasing Agent, consultant contracts are not subject to any City ordinances and are only marginally addressed by inter-departmental policies and procedures.

Consultant contracts are mentioned only in City Ordinance 102151. This ordinance exempts expert and consultant services from the Purchasing Agent's responsibility, requires all City departments to file the scope of work for each expert or consultant contract with the Purchasing Agent, and requires the Office of Management and Budget to keep a record of all such contracts. The requirement to file a contractual scope of work would allow the Purchasing Agent to review the scope of work for any contemplated project before a contract is signed and determine if the work is genuinely "expert or consultant" or if the services are more routine in nature and could be submitted to competitive bidding. In practice, however, the Purchasing Agent literally interprets the law and simply maintains a file of all contracts submitted without review. In most cases the Purchasing Agent receives a copy of a signed contract rather than the scope of work.

City Standad Operating Procedure (SOP) 100-002 requires that all consultant contracts be submitted for OMB review and approval or disapproval 30 days prior to the anticipated

project start date. The SOP defines consultant contracts and asserts that it is the City's policy to utilize appropriately skilled internal City staff before considering outside consultants. Interviews with various present and former budget analysts indicated that the nature and substance of OMB review was not based on any internally established standards and lacks uniformity. The review usually includes a comparison of the contract amount with the Department's Adopted Budget to determine funding availability and often includes a determination of consistency with the involved department's program plans. However, until recently the review has rarely included a consideration of the consultant selection process or the contract administration strategy. Most recently the Budget Director has adopted an interim consultant contract review procedure in an attempt to improve the existing review process. The interim procedure requires all City departments to complete a contract checklist which includes the salient information about the selection process and quality of the contract. This review process should increase the effectiveness and uniformity of OMB review.

Selection Process

The process used by various City departments to select consultant contractors varies widely. In some cases, only one prospective contractor was considered and in others there was a very rigorous and open competitive selection process. In addition, departments broadly disagreed on the nature of an appropriate selection process for consultant contractors.

According to the Law Department an exemption to the competitive bidding requirements has evolved in common law that applies to the selection of experts or consultants. The exemption is based on a recognition of the special trust relationship that often exists between a consultant and a public agency. While public policy favors the selection of the lowest bid for supplies, materials and equipment, it is clear that prudent public agencies would not want to always select low bid consultants. The selection is appropriately based upon a consideration of the special skills, experience and expertise of prospective consultants. However, public policy strongly favors selection processes that are impartial, open, and include an equitable consideration of all equally competent firms.

Although the sample size for contracts considered in this study was too small to make statistically significant inferences about all City consultant contracts, we note that more than two-thirds of the contracts reviewed did not include the competitive consideration of any consultants except the selected firm. The Municipal League's review of City consultant contracts found that departments made no attempt to notify or consider competing firms in four out of nine contracts. Some departments have emphasized that no legal requirement exists which requires the competitive consideration of all interested consultants. Rationale for sole source selections varies widely, but was typically based upon the following arguments:

-- The previous work of the selected consultant; the unique knowledge of the department's practices possessed by the consultant;

-- The need for continuity;

-- The availability of a singularly competent and experienced firm or individual for a particular project the equal to which could not be located through an open competitive process;

-- The need to perform a confidential security audit or anonymous management audit the effectiveness of which would be compromised by public announcement.

When selection processes are used they included everything from professional referral or personal recommendation to the publication of a detailed Request for Proposal and a rigorous evaluation of the proposals received based upon previously established and weighted selection criteria.

Without uniform City consultant contracting ordinances or procedures, we have little criteria for evaluating whether current selection processes are appropriate. In addition, there is a great deal of disagreement about what selection requirements should be. Most of the departments interviewed believe that the current exception to the competitive bidding requirement and limited inter-departmental procedural requirements provides a necessary level of management flexibility and discretion. The Municipal League believes that the existing situation is an invitation to favoritism, political payoffs, sloppy mangement, and buck passing.

Our principal recommendation is that uniform consultant selection policies be adopted on a City-wide basis. We believe that competitive bidding is an inappropriate basis for consultant selection; however the selection process can be open, impartial, and based upon a fair comparison of all interested and qualified firms without requiring competitive bidding. We have developed proposed rules governing consultant selection and use intended to protect against possible improprieties while providing management flexibility necessary to efficiently conduct City operations. One of the primary aspects of a City policy that we believe must be clearly stated is the selection requirements and the conditions under which the selection requirements will not apply. The proposed procedure allows an exception from the selection requirements for: (1) consultant contracts that are less than $25,000; (2) when an emergency exists such that following the selection requirements would adversely affect the City's interest; or (3) if it can be demonstrated that only one consultant is available in the area of expertise required for a particular project. The proposed procedure would require that any department electing to waive the selection requirements procedure submit a public written statement detailing the rationale for such a determination. Exceptions should be reviewed and approved by the Board of Public Works and contracting. This we believe will provide an effective deterrent against most improprieties.

Responsibility and Accountability

Responsibility and accountability for decisions relating to the selection and administration of consultants is not precisely established under current City practices. The only existing City regulation relating to the use of consultants, Standard Operating Procedure 100-002 "Outside Consultant Contractors," requires that all contracts be submitted for OMB review and approval before signing the contract. The procedure does not establish an accountable party with the responsibility to select and monitor contractor performance. It mentions only that "approved requests will be processed through the department's normal method of letting contracts."

It has been assumed that individual department heads have the authority to commit the City contractually in the absence of any specific legal authority or restrictions. However, the Law Department advises that reasonable legal arguments could be made to both support and refute the existence of such authority. The assumption that department heads can commit the City contractually for consultant services is based upon the annual budget ordinance which appropriates funds for expert or consultant services. This interpretation maintains that the process of selecting and contracting with a consultant is simply a ministerial function necessary to accomplish the Council approved program plans. The other plausible legal interpretation would be that the authority to execute consultant contracts is within the legislative power to control City finances which is exclusively granted by ordinance.

The City Comptroller now requires the signature of the involved department head, the Purchasing Agent and the Budget Director before approving contract payments. In other cases, the Board of Public Works may also approve certain consulting contracts. Although the department engaging the consultant conducts the selection and administration of the consultant's work unilaterally. The involvement of all these City officials is not well defined and tends only to diffuse accountability.

Our proposed rules governing selection and use of consultants would provide each department or agency head with all of the authority and responsibility for selecting and administering the work of consultants. The philosophy behind the proposed approach is that City department heads should be provided with a clear statement of general policy and procedural requirements, but should be given the authority necessary to select and manage consultants. The department heads would be held independently accountable for compliance with rules and procedures established by the Board of Public Works and Contracting. The proposed procedure also eliminates all review and approval requirements which were largely perfunctory in the past. This methodology should provide adequate management flexibility and discretion.

Our proposed rules governing the selection and use of consultants calls for the establishment of a Rules and Audit Section which would periodically review consultant contracting activities to ensure continued compliance. Possible existing agencies which could perform such review include OMB/ City Council Audit Staff, the Comptroller or the Purchasing Agent. We believe the audit function would be most appropriately performed by an independently created and autonomous central contracting authority. An autonomous Board of Public Works and Contracting would act as a central policy making organization. The Rules and Audit Section would be responsible for monitoring compliance with established rules. To assure independence in discharging these obligations, the Board should be as immune as possible from political influence and should be prohibited from directly engaging in consultant contracting.

One objection raised by various consultants and by the Municipal League is the absence of a central location at which consultants could indicate their interest in performing work for the City. Currently consultants desiring to provide their services to the City must independently contact all City agencies to express their interest. We believe this is an inefficient use of City staff time which often precludes the consideration of competent consulting firms. The Contract Administration Division can provide a central location for consultants to register their interest.

A second area of accountability considered was the methods used by City agencies to determine that all contractually required work products are received before making final payment. City purchase orders for supplies, materials and equipment, and Board of Public Works contracts for public improvements require, per City Ordinance 102151, a written statement of receipt of goods or provision of services. However, of the 15 consultant contracts reviewed only one included a written report of work completion. In all other cases, departmental representatives told us that the services were provided; however, we cannot verify their claims in the absence of any records. In some cases, many individuals within the same department worked independently with a consultant yet no one had the specific obligation to monitor the contractor's performance and to determine project completion. An example of such a situation was a countersigned letter proposal from an accounting firm that offered a City department general consulting services. Under the "contract" the consultant provided distinctly different services to different divisions of the department but was paid monthly on a time and materials basis for all services performed. Our proposed rules governing the selection and use of consultants would require the department to designate a project manager who would be responsible for monitoring contractor performance and producting a writen record of work completion

prior to approving payment.

Definition of Consultant

One of the general problems observed with City consultant contracts is the absence of any uniform definition of what constituted consultant services. The scope of work for some of the contracts observed appears to be fairly routine in nature and, as such, would be subject to the competitive bidding requirements of Ordinance 102151. One key aspect of the definition of "expert or consultant services" in the context of current City Charter and Ordinance requirements is that they are the only type of services exempt from the competitive bidding requirement. Given the lack of any functional definition of a consultant contract, many types of services have been defined as "expert or consultant" in order to allow the involved agency much greater discretion in selecting and administering the work of such "expert" contracts. Various ad hoc guidelines, reviews and approval processes have been established for specific types of form contracts such as the Personal Services Agreement (PSA). However, without any policy guidelines for consulting contracts, other form agreements used to contract for similar services are not subject to the reviews and guidelines implemented for any particular type of contract forms.

The two aspects of a definition of consultant services that we believe are important to include in a general policy are:

1) How expert and consultant services can be distinguished from non-expert or consultant services which must legally be acquired by the Purchasing Agent through competitive bidding;

2) How expert and consultant services can be distinguished from the work appropriately performed by regular City employees.

Some of the contracts observed during the study are based upon relationships that appeared to more closely resemble an employee-employer relationship rather than a valid contract between an independent contractor and the City. Our proposed rules and regulations governing the selection and use of consultants provides the distinguishing criteria necessary for City departments to determine the appropriateness of a proposed contractual arrangement.

Price Competition

In some City consultant selection processes the cost of the services is not a criterion used in evaluating prospective consultants. Some professional associations believe that price competition would compromise their professionalism and have encouraged members not to discuss prices until completion of the selection process and prior to contract negotiations. We agree that the City should not be bound to selecting low-bid consultants. In most cases, a consultant is retained by the City because necessary technical expertise is not available within the City. In these cases trust, confidence, training, experience, professional reputation, and other germane criteria are the most significant determining factors in the selection process. However, it appears that some degree of price competition could be introduced into the selection process.

Code of Ethics

We found, as did the Municipal League, that certain professional, political and business relationships existed between contractors and City officers or employees which could be construed as a conflict of interest. However, no City ordinance currently declared such relationships to be unethical and illegal. In one case a department engaged a design

consultant for a project that was eventually designed by a firm for which the consultant worked. The City Attorney was requested to provide a formal opinion on possible illegalities and concluded that none existed. The Board of Ethics is developing an amendment to the Code of Ethics relating to City contracting. We provided the Board of Ethics with a Code of Ethics produced by the American Bar Association in the Model Procurement Code, and will review legislation developed by the Board.

Law Department

Our proposed rules and regulations governing the selection and use of consultants proposes that Law Department review be required for consultant contracts with an annual dollar value in excess of $25,000. There was a wide variation in the quality of contracts reviewed in the study. In one case the contract was simply a countersigned letter proposal which contained an extremely vague description of the work to be performed. In this case the contract excluded the legally required Equal Employment Opportunity Provision. The study staff suggests that the City receive the benefit of competent legal counsel in the preparation of expert or consultant contracts, particularly in view of the fact that the City annually spends many millions of dollars for such services.

Contract Amendments

One inappropriate practice observed was the amendment of an existing consultant contract to include an entirely unrelated project. In one case, the consultant contract did not include any limit to the amount of compensation. In another consultant contract the amount was extended without developing written modification to the original scope of work. Although the department involved indicated that additional work was performed it was not described in the contract. The amount of compensation for a consultant assigned to a particular project should be increased only when the written contract scope of work is also amended to add additional work. The City Attorney advises that granting increases in the amount of contracted compensation allowed a consultant without a corresponding change in the contracted scope of work, may be a violation of the State Constitution. Modifications to contracts which add different projects should also be restricted. Separate contracts should be developed after performing the required selection process. The City should establish a maximum level of compensation for all consultant contracts which limit the financial obligation of the City. The City Comptroller should discontinue making payment to consultants unless a contract exists and should monitor the payments made so they do not exceed the maximum contract limits. In one case we determined that the City has reviewed consultant services from the same agency in excess of thirty consecutive years without ever having developed a written contract.

Recommendations

We recommend that the following provisions be included in a City ordinance:

(a) Open, impartial consultant selection process for contracts over $25,000. If any emergency exists such that an open, impartial competitive selection process would adversely affect the City's interest, or if it is known that only one consultant is available in the area of expertise required, a consultant may be selected without following these requirements, but the department shall report these exceptions to the Board of Public Works and Contracting.

(b) A minimum of one-day advertising in the City's official newspaper.

(c) Consultant selection shall be based on specific evaluation criteria that are made known to all prospective consultants and are relevant to each job.

Although it is the policy of the City that cost will be included in the evaluation criteria, it is acknowledged that price may not necessarily be given the same relative importance as other factors.

(d) Each department desiring consultant services which will exceed $10,000 per contract shall establish a consultant selection committee composed of at least 3 members for each selection process.

(e) All consultant contracts exceeding $10,000 must be reviewed by the City Attorney's Office for form, specific deliverables and liability clauses.

(f) All consultant contracts must be filed with the Department of Contracting.

(g) Effort to rotate award of consultant services among consultants that are evaluated as being equally qualified and sufficiently capable to perform the services will be made.

(h) Departments are responsible for notifying all bidders, whether successful or unsuccessful of the selection decision and for maintaining a public record detailing the evaluation process used and decision for award.

(i) Departments are responsible for reviewing the consultant's performance and preparing a report of it. The report shall be used by the Comptroller's Office as a basis for approving final payment or retaining payment in the event of deficient or non-compliant performance. A copy of the final report shall be forwarded to the Department of Contracting for use by other Departments when considering consultants.

(j) Departments are responsible for preparing a written contract for all consultant work which shall include a detailed description of the work to be performed, including any deliverable products required to be met in any advisory reports, the maximum contract dollar amount, the date on which the work must be completed, requried Equal Employment Opportunity clauses, as well as other ordinance, charter, or funding requirements.

We recommend the following Rules and Regulations for selection and use of consultant services be adopted by the Board of Public Works and Contracting.

Your City, Seattle

BOARD OF PUBLIC WORKS AND CONTRACTING
RULES AND REGULATIONS
(PROPOSED)

EFFECTIVE	TITLE SELECTION AND USE OF CONSULTANTS	SECTION
SUPERCEDES SOP 100-002	SECTION	PAGE

1.0 PURPOSE

1.1 To establish and define rules and regulations which shall apply to the selection and use of consultants by all City Agencies and Departments.

2.0 ORGANIZATIONS AFFECTED:

2.1 All City Agencies contracting for consultant services, the City Attorney, and the City Comptroller.

3.0 REFERENCES:

Ordinance 102151

4.0 POLICY:

4.1 It is the policy of the City of Seattle to utilize expert and consultant services only when existing City personnel who have the required skills or abilities are unavailable or when, in the judgment of the involved Department or Agency head the existing staff lack the objectivity that is perceived to be necessary to perform the required services.

4.2 It is the policy of the City of Seattle that all the authority and responsibility for the selection and administration of expert or consultant service contracts shall reside in the involved department or agency head. Individual department or agency heads shall, as is consistent with these rules and budget authority, commit the City contractually and accept the completed work on the City's behalf and authorize the City Comptroller to make payment. Each Department or agency head shall be held accountable to the Mayor, or other Agency head as appropriate, for ensuring compliance with the policies and rules defined herein within their respective Department or Agency.

4.3 It is the policy of the City of Seattle that the selection of consultant services, the estimated value of which shall exceed twenty-five thousand dollars, shall be performed by each individual Department or Agency after performing an impartial and open solicitation of all qualified suppliers. Each department shall perform this selection using evaluation criteria that have been established and made known to all participants before proposals are solicited. These criteria shall be applied equitably and consistently to all qualified and interested consultants during the evaluation and selection process.

If any emergency exists such that following these rules would adversely affect the City's interests, or if it is known that only one consultant is available in the area of expertise required for a particular project, then a consultant may be selected without following these requirements, but the Department or Agency shall report the basis for making such a determination to the Board of Public Works and Contracting for their review and approval.

4.4 While it is the policy of the City of Seattle that the selection of expert or consultant services shall be based upon a consideration of all interested consultants; who are adequately qualified, it is not the City's policy that strict competitive bidding shall be employed to perform such selection. It is recognized that strict competitive bidding is impracticable for the selection of expert or consultant services. It is the policy of the City of Seattle that consultant selection shall be based on specific evaluation criteria that are, in the opinion of the involved department or agency head, germane and relevant to the needs and objectives of each particular project.

4.5 It is the policy of the City to attempt to secure the lowest-priced expert or consultant services available among consultants that are evaluated as being equally qualified and sufficiently capable to perform the required services. Although it is the policy of the City that cost will be included in the evaluation criteria, it is acknowledged that price may not necessarily be given the same relative importance as other criteria in particular rating methodologies.

4.6 It is the policy of the City to make every effort to rotate the award of consultant services among consultants that are evaluated as being equally qualified and sufficiently capable to perform the required services.

4.7 It is the Policy of the City that these guidelines shall also apply to the selection and use of consultant services the estimated cost of which shall be less than twenty-five thousand dollars, unless determined impracticable by the responsible Department or Agency Head.

5.0 DEFINITIONS:

5.1 Outside expert or consultant services are those services provided to any agency or department of the City of Seattle by any corporation, agency, partnership, or sole proprietorship, excluding City employees, who for a fee, give professional advice, perform audits, prepare technical plans or specifications, or provide other specialized services in the field of their special knowledge, training, and experience.
Examples of such technical or professional services include, but are not necessarily limited to, the services of attorneys, physicians, architects, engineers, surveyors, accountants and auditors, appraisers, and data processing consultants.

These outside contractors can be distinguished from regular City employees in that they are not reporting directly to, and being supervised on a routine basis by, any employee of the City of Seattle. If the services required are indistinguishable from the work routinely performed by existing City employees in that: 1) the work will be performed on the City's premises by individuals who will report directly to City employees; or 2) if the work will be performed using primarily City equipment and tools; or 3) the work products cannot be described as discrete and separate with a limited term but rather are repetitive or continuing job responsibilities that are also performed by regular City employees; then such services are not expert or consultant services and shall be performed by regular City employees employed through normal Personnel Department procedures and regulations. Expert or consultant services may be distinguished from regular city employment in that the former relate to discrete non-recurring advice, guidance, or other specifically defined work projects or professional services which will be provided over a limited and pre-established term.

Expert or consultant contracts will not include the provision of any goods, materials, or equipment which are to be acquired by the Purchasing Division of the Department and Contracting.

6.0 RESPONSIBILITY:

6.1 Each Department or Agency Head is responsible for determining the existence and availability of qualified City employees capable of providing the required services prior to pursuing the selection of an outside consultant.

6.2 Each Department or Agency Head is responsible for submitting to the City Department of Contracting, during the first month of each year, a list of the general types of consulting services that are expected to be required during that annual period. The ~~Board~~ Department of Contracting shall advertise at least once a year in the City's official newspaper requesting pre-qualification data from interested consultants. Such information may include the interested firm's background, the nature of consulting work the firm is engaged in, the training, experience, and other indices of professional expertise of the firm's staff, the most recent financial report, the name and address of persons authorized to represent the firm contractually, or any other survey information deemed necessary.

6.3 The Department of Contracting shall be responsible for maintaining, by general category of work, a list of all consultants who have expressed interest in performing consultant services for the City within the previous twelve-month period. Each Department or Agency Head shall be responsible for contacting all interested firms whose names are contained on these lists that are providing services in the general category of consultation desired and who meet the minimum prequalification criteria established. Each Department shall establish and abide by a uniform methodology for selecting consultant services. This methodology shall be public information and shall be available to all interested consultants.

Each Department or agency desiring consultant services which will annually exceed twenty-five thousand dollars shall establish a consultant selection committee. The membership of the committee shall be determined by the involved Department or Agency Head and shall consist of no fewer than three members. The members of the selection committee shall, in the opinion of the involved Department or Agency Head, have the necessary qualifications to execute the task. To the extent possible the committee should include at least one

member from outside City government with expertise in the particular area of consideration.

6.4 Each Department or Agency shall announce each requirement for consultant services for projects where the services are estimated to cost more than twenty-five thousand dollars, by advertising in the City's official newspaper. This announcement shall include a description of the project, the type and scope of consultant services needed, the estimated project cost, the name of the project manager, and, if necessary directions for obtaining further information. The selection rating methodology shall be based on the evaluation criteria stated in the Department or Agency's proposal solicitation document.

6.5 Each Department or Agency shall be responsible to notify all bidders, whether successful or unsuccessful, of its eventual selection decision. Each Department or Agency shall also be responsible for maintaining a public record detailing the evaluation process used and the decision for award. If the Agency engages in negotiations with consultant's to improve upon the offer contained in the submitted proposal, the results of these sessions shall be documented. All consultants that are evaluated as being adequately qualified should be treated as equally as is possible during negotiations such that all consultants given final consideration are provided a fair and equal opportunity.

6.6 Each Department or Agency shall be responsible for administering the work of the consultant and to ensure that the required services and work products were completed in satisfaction of the contractual requirements. Upon completion of the work under any contract, the Department's project manager or its consultant selection committee, as appropriate, shall review the consultant's work performance and prepare a detailed report of the consultants performance. The report shall be sent to the Comptroller's Office to be used as a basis for either approving payment or retaining payment in the event of deficient or non-compliant performance. A copy of each completion report shall also be forwarded to the central files of the Department of Contracting for use by other Departments or Agencies when considering the use of the consultant in the future.

6.7 Each Department shall be responsible for preparing a written contract for all consultant work which shall include a detailed description of the work to be performed by the consultant, including the deliverable products required and the objectives required to be met in any advisory reports, the maximum contract dollar amount, the date on which the work must be completed, the required Equal Employment Opportunity classes, as well as other ordinance, charter, or funding requirements. All consultant services contracts in excess of twenty-five thousand dollars must be reviewed by the City Attorney and approved as to form prior to signing the agreement. For such contracts each Department or Agency shall request the assistance of the City attorney in preparing specific contract terms which will assist in enforcing contractor performance or provide effective remedies necessary to protect the City against possible risks and liabilities.

6.8 Each Department or Agency shall be responsible for providing a copy of the proposed scope of work for any consultant contract to the Purchasing Division of the Department of Contracting at least 5 days before conducting a selection process. The Purchasing Agent shall be responsible for notifying the Department, within five working days, if it is his opinion the services described either are or are not of an expert of consultant nature. In the later case the services would be subject to procurement through regular purchasing procedures subject to existing city ordinance. Any agency may appeal the decision of the Purchasing Agent to the Director of the Department of Contracting whose ruling shall be final. No Department or Agency Head shall sign any such Agreement and commit the City contractually before obtaining such an opinion from the Department of Contracting.

6.9 Each Department or Agency shall be responsible for assuring availability of adequate funding and for consistency with the Departments program plans. No Department or Agency Head shall sign any such Agreement and commit the City contractually in the absence of appropriation authority.

6.10 The Department of Contracting shall report semi-annually to the Board of Public Works and Contract ing, the Mayor, and the City Council, all consultant contracts executed by any Department or Agency and their maximum dollar value.

7.0 GENERAL GUIDELINES:

7.1 This section is intended to describe the general steps involved in evaluating the need, selecting, and managing the use of consultants. This is intended to supplement the previously mentioned rules and regulations. Not every following guideline will necessarily be applicable in all cases. Each Department or Agency Head should determine which guidelines are appropriate for each particular contract.

Step 1. The need for a consultant services should be examined. This should include clearly defining the objectives and specific products required for a particular project, and a management decision regarding the most appropriate approach to accomplish the work. The availability of existing qualified City staff should be determined by contacting other City Departments and reviewing available internal staff resources. If there is either insufficient qualified available staff or the existing staff lacks the necessary objectivity, and if appropriate budget authority exists, then the decision to retain a consultant should be pursued.

Step 2. Selecting the Project Manager - Every consultant contract should have a designated project manager. This person may operate on a part-time or full-time basis to manage the project. The Project Manager should be designated in the contract as the person responsible to monitor the consultants performance and to accept work products. The project manager, once selected, should be in complete charge of the project, and have overall responsibility for leadership, control, and development of the final project.

Step 3. Preparing a Request for Proposal (RFP) - An RFP should clearly state what is to be accomplished and also be in sufficient detail so that potential consultants can estimate their cost of time and materials.

A RFP can provide clear information to help consultants prepare practical and accurate standards of performance for monitoring the contract and evaluating the final product. An RFP can also be used as an internal source of historical documentation, and a summary of the project.

For very small projects, an RFP may be no more than a brief letter. For more complex projects, an RFP should include the following insofar as practical:

A. Overview of the Project

(1) Background information (e.g., organization chart and goals).

(2) General objectives and products to be provided.

(3) Functional areas and Departments affected by the project.

B. Detailed Consultant Project Objectives and Products

(1) Details and priorities (appropriate) of deliverable work products.

(2) Task schedules, identifiable "mile-stone products", and other criteria to aid in monitoring performance.

C. Detailed Organizaton and Responsibilities

(1) City personnel expected to be involved, including the project manager, and their specific responsibilities and time commitments shown in a proposed project organizational chart.

(2) Training to be supplied by the consultant.

(3) Specific project responsibilities of the potential consultant.

D. Contractual Information

(1) Terms and conditions for the final agreement.

(2) Special guidelines for preparation of proposals (deadlines, directions for completion, and forwarding, etc.)

(3) Contractual information to be provided by the prospective consultants.

A cover letter for the RFP should emphasize dates and deadlines for receipt of proposals. Also, the cover letter or the RFP may request any or all of the following infcrmation as is appropriate:

- o The firm's background and organizational structure.
- o The names of client references for whom the firm has performed similar services;
- o The person designated to manage the project, with their professional resume of experience with similar projects.
- o Charges and price standards.
- o The firm's experience with projects of a similar nature.
- o A task work plan.
- o Persons authorized to negotiate a final contract.
- o Documents to be produced by the consultant.
- o Additional city support necessary (i.e., data processing, graphics, etc.)

Step 4. The scope of work should be circulated to the Purchasing Agent, and an advertisement prepared if applicable.

Step 5. Forming a Consultant Selection Committee - This is a requirement for all contracts over $25,000.

Step 6. Conducting a Consultant Pre-selection Conference The consultant preselection conference is an informal meeting held prior to the awarding of the contracts. This conference provides:

1. An information forum for the project representatives and prospective consultants to discuss the proposal and clarify vague issues.
2. A better perspective of project methods and products.
3. A means by which the city can:
   - A. Evaluate the skills and potential of each respective consultant, and the overall quality of service.
   - B. Review the possibilities for cost control, interim reporting, final product evaluation, and overall project management.

4. A means by which new skills, ideas, and sources of information of relevance to the project and the city are introduced.

NOTE: The department should respond to inquiries from prospective consultants relating to misunderstanding or ambiguities about the required services. Whenever any issue raised by any participant in the process requires clarification all consultants should receive such a written clarification whether or not the Department believes that such additional information constitutes a change from the original scope of work. This is particularly important so that all consultants have equal access to the same information upon which to prepare a proposal.

Step 7. Pre-Qualification Final Selection Process - When a firm is finally recommended as the top choice, a process of negotiation with that firm should be initiated to discuss prices and other contract terms. If an irreconcilable problem arises in the process of negotiation, then the process should be repeated with the second-choice firm.

During the negotiation and award phase, special contract requirements and the management and monitoring process should be discussed and explored carefully with the consultant. After this process is complete, a written record of the evaluation should be prepared including the rationale for the final selection.

Note: It the contract scope of work changes substantially from the services described in the RFP, the process of soliciting proposals should be repeated. This will allow all original participants a fair opportunity to be considered for the redefined project.

After the selection of the consultant, formal letters announcing the selection should be forwarded to all consultants, whether successful or unsuccessful.

Step 8. Writing the Final Contract - The involved Department is responsible for completion of the draft contract. The City Attorney's Office reviews appropriate contracts prior to execution.

Any relevant information concerning dates, products to be delivered, and specifications not included in the RFP should be forwarded, in writing, to the City Attorney's Office, for inclusion into the contract.

The most critical aspect of preparing the contract is the absolute necessity of inserting binding clauses explaining specifically the required end products and their dates of delivery. Also, a "not to exceed" cost figure should be provided to limit the financial commitment of the City to the consultant. A fixed price contract that requires final payment only upon successful completion is desirable.

After completion, the final document is reviewed by the consultant for final approval.

Step 9. Execution of Contract - A general review meeting should be held to familiarize involved City and consultant personnel with the specifics of the project. The contract should be signed by the involved Department Head, and approved by the City Attorney. A copy of the executed contract should be provided to the Comptroller's Office.

For large projects, it may be desirable to establish a review committee to aid in identifying and solving problems as they occur. The review committee should include specialized personnel, qualified to examine and discuss the work of the consultants.

Step 101. The Monitoring - The importance of a comprehensive system for monitoring and reporting cannot be overstated. A good monitoring system should include:

- o An initial review to be held as early as possible, such as when the first significant product is delivered.

- o Continuing reviews scheduled on a regular basis the frequency of which should be established for each project, to examine:

A. Performance with respect to the contractual commitments of both the City Department and the consultant.

B. Future project needs and methods for obtaining them.

C. Existing or potential problems.

Contractors should provide written progress reports periodically to provide:

A. A reliable method for comparing planned with actual accomplishments;

B. Information for necessary audit trail and progress payment determination.

C. A comprehensive source of condensed and timely information regarding the project.

Step 11. Evaluation Upon Completion of Work - All contractually required work products should be thoroughly evaluated. The consultant should be required to submit a final report which is intended to review their fulfillment of the provisions of the contract. The report might include findings, analysis, recommendations, etc., relevant to the initially stated objectives. This report should provide a partial basis for evaluating the consultant's performance.

Step 12. The Project Manager should prepare a written evaluation of the contractors fulfillment of their contractual obligations. (See 6.6)

Step 13. Payment to Consultant - The method of payment should be decided by the project manager and the consultant, prior to the execution of the final contract. Typical methods of payment include:

- Progress payments at "mile-stones", as defined in the contract. This method relates payments to performance and provides the project manager with continuing control over the quality of work being performed while providing the consultant progress payments. In many cases a predetermined percentage of payment is withheld by the City until the work is accepted as complete by the project manager.

- One-time final payments which are authorized by the Project Manager following satisfactory completion of the contract provisions.

APPENDICES

APPENDIX I

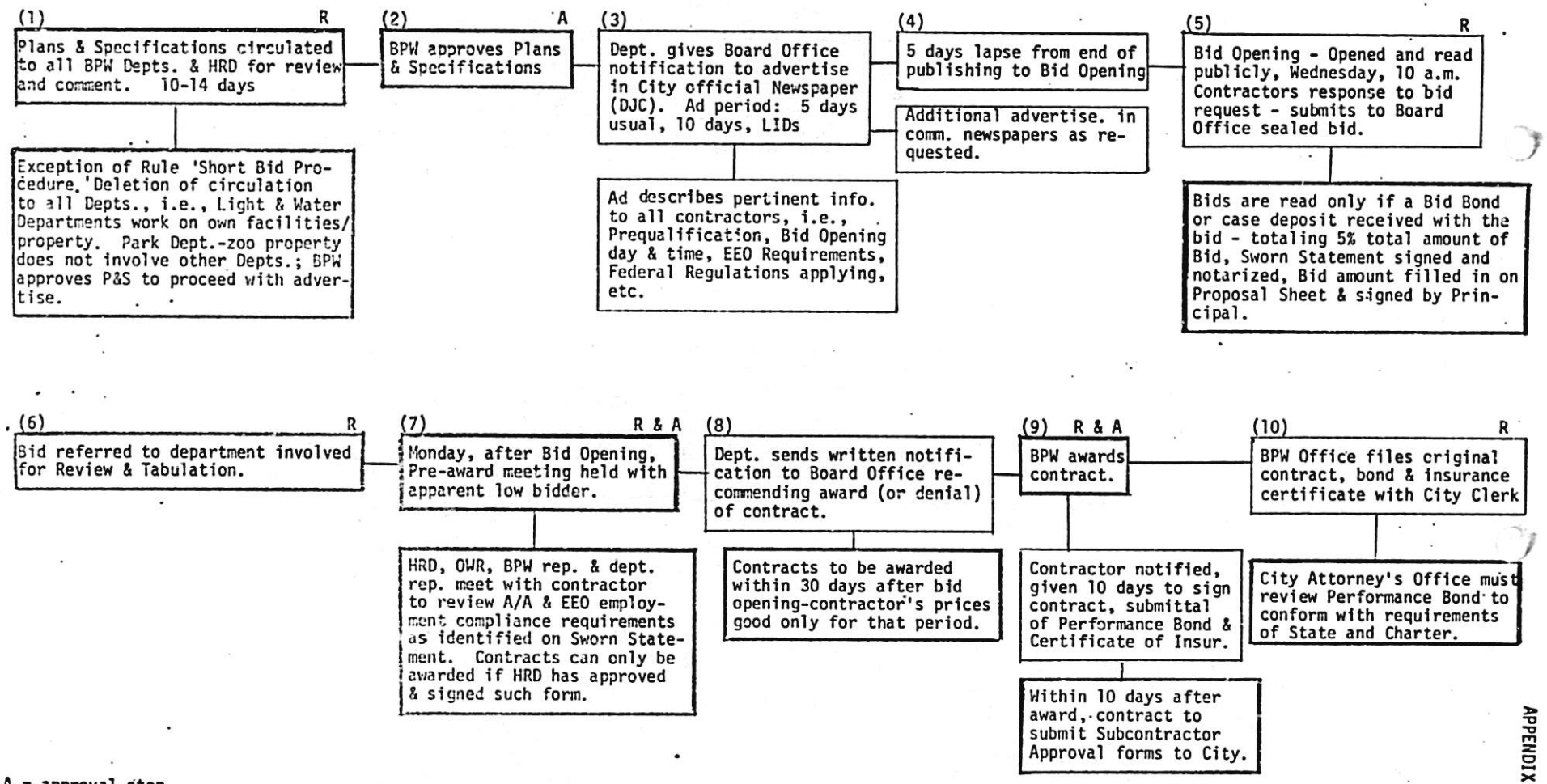
PUBLIC IMPROVEMENTS

SAMPLE CONTRACTS REVIEWED

BPW Contract #	Department	Total Contracts Reviewed	Contract Type	Amount	# of Change Orders	Amount of Change Orders
77-45	Engineering	5	Paving & Street Imp.	$ 651,232	13	$ 18,749
77-51			Paving L.I.D.	1,396,000	31	53,801
77-55			Landscaping	21,249	2	200
77-62			Paving & Street Imp.	136,673	4	1,875
76-148			New Construction, M&R	744,900	9	157,075
77-12	Water (Engineering Administered)	1	View Ridge Pump Station	1,086,000	9	8,138
77-116	Water	1	Maintenance & Repair	60,605	2	8,153
77-57	Parks	3	Construction	456,404	12	45,409
77-5			Landscaping	10,302	1	443
77-102			Construction	841,935	3	9,049
77-15	Light	2	Tree Trimming	319,158	0	0
77-115			Undergrounding	66,915	0	0
77-24	a, c, d Building	3	Demolition	14,417	2	468
77-105	Building (for Seattle Center)		Remodel	1,087,000	5	189,943
77-113			Maintenance & Repair	25,831	2	1,664
	Totals	15		$6,918,621		$494,967

BOARD OF PUBLIC WORKS CONTRACTING PROCESS

MANAGEMENT CONTROL: REVIEW AND APPROVAL STEPS



A = approval step
R = review step
R & A = review and approval step

(11)
Dept. has authorization to notify contractor to start work, after Board office has filed contract.

Active BPW participation diminishes

(12) R & A by department
Dept. is responsible to monitor in field work progress. Designates project manager/ inspector.

BPW departments' monitoring and inspection role begins.

(13) R
Board office receives written documentation on job progress, change orders, supp. agreements, etc. Often called on for written & verbal clarification, explanation, advice, appeals action by Board, Depts. and contractors.

(14) R & A
Board office receives monthly pay estimate requests requiring authorization signatures of the Chairman of the BPW and the Exec. Secretary.

Breakdown of payment to contractor, as authorized by Dept. personnel for work performed.

(15) R & A
Throughout term of contract, the BPW requires from the prime contractor & each sub-contractor copies of Certified Weekly Payrolls.

BPW checks payrolls for payment of prevailing wages.

(16) A
Dept. submits request to BPW to accept a project as complete.

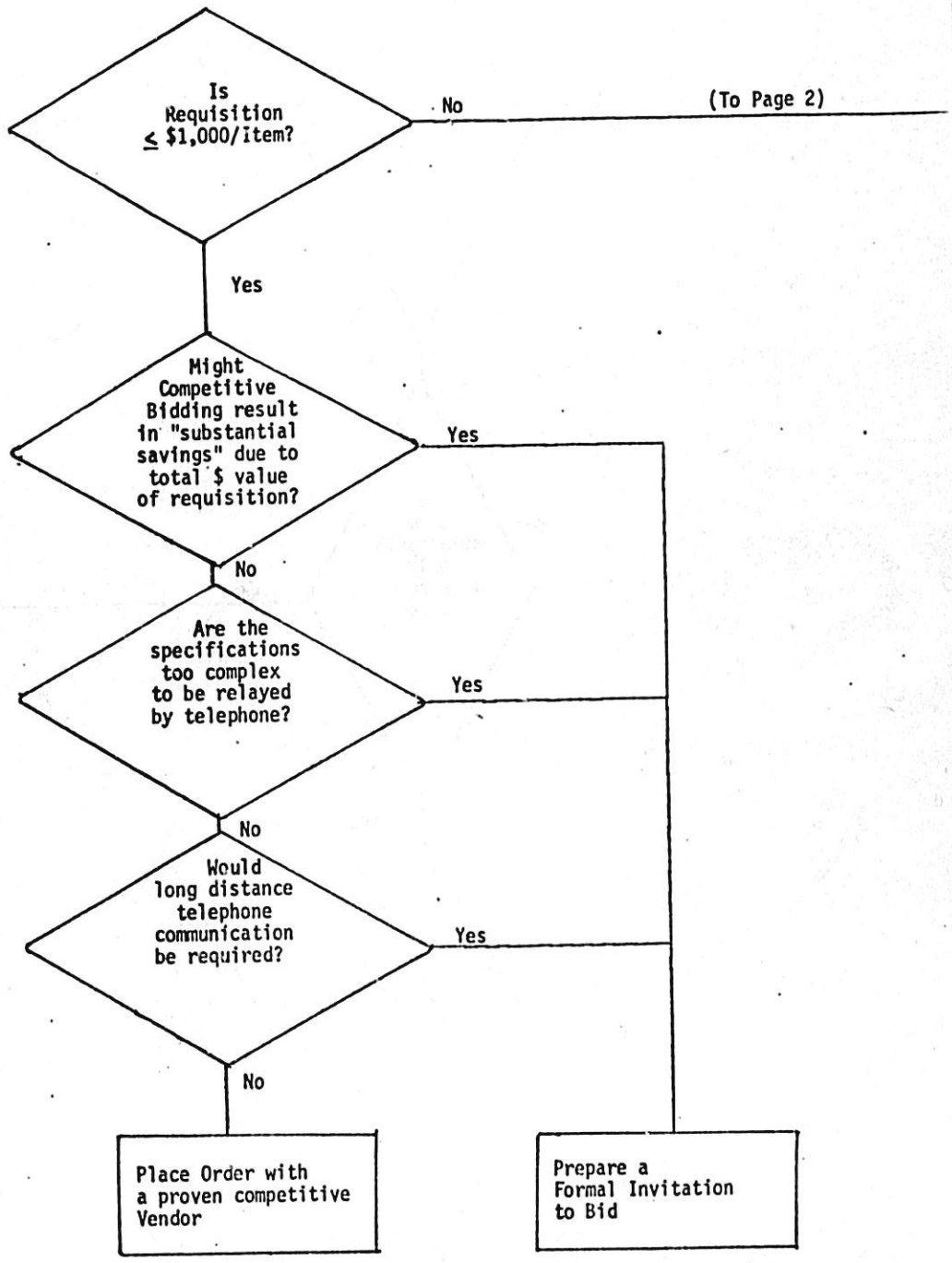
(17) R & A
BPW acceptance is the only notification to note, regardless of the physical date of completion. Contractor is considered to be responsible.

(18) R
Board Dept. submits request for releases to Olympia to comply with release of retainage.

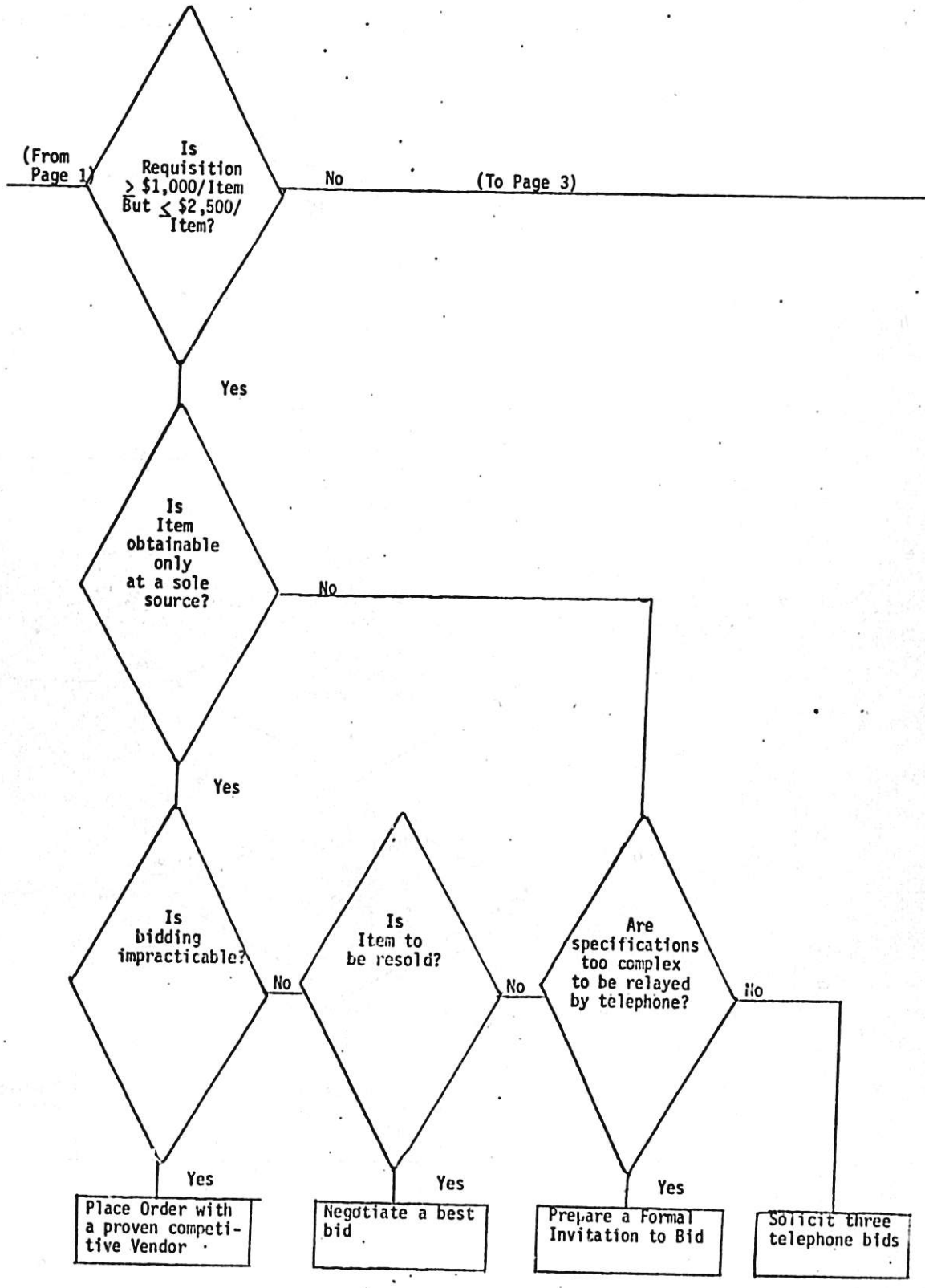
Comptroller's Office receives release and releases retainage.

DEPARTMENT POLICY AND PROCEDURE 109-009
9-29-78

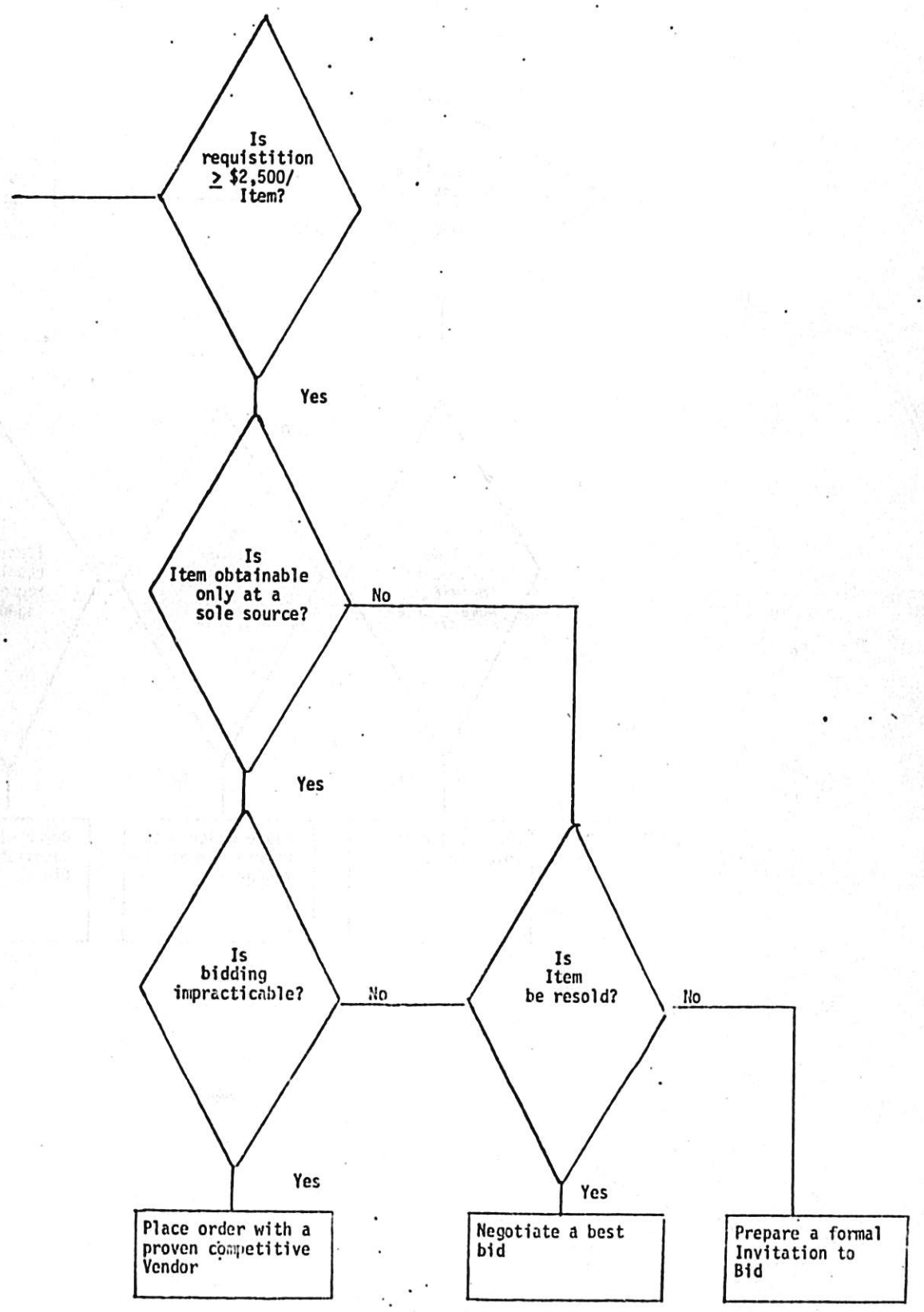
Regular Purchases From Purchase Requisitions, $1,000 or Less Per Item



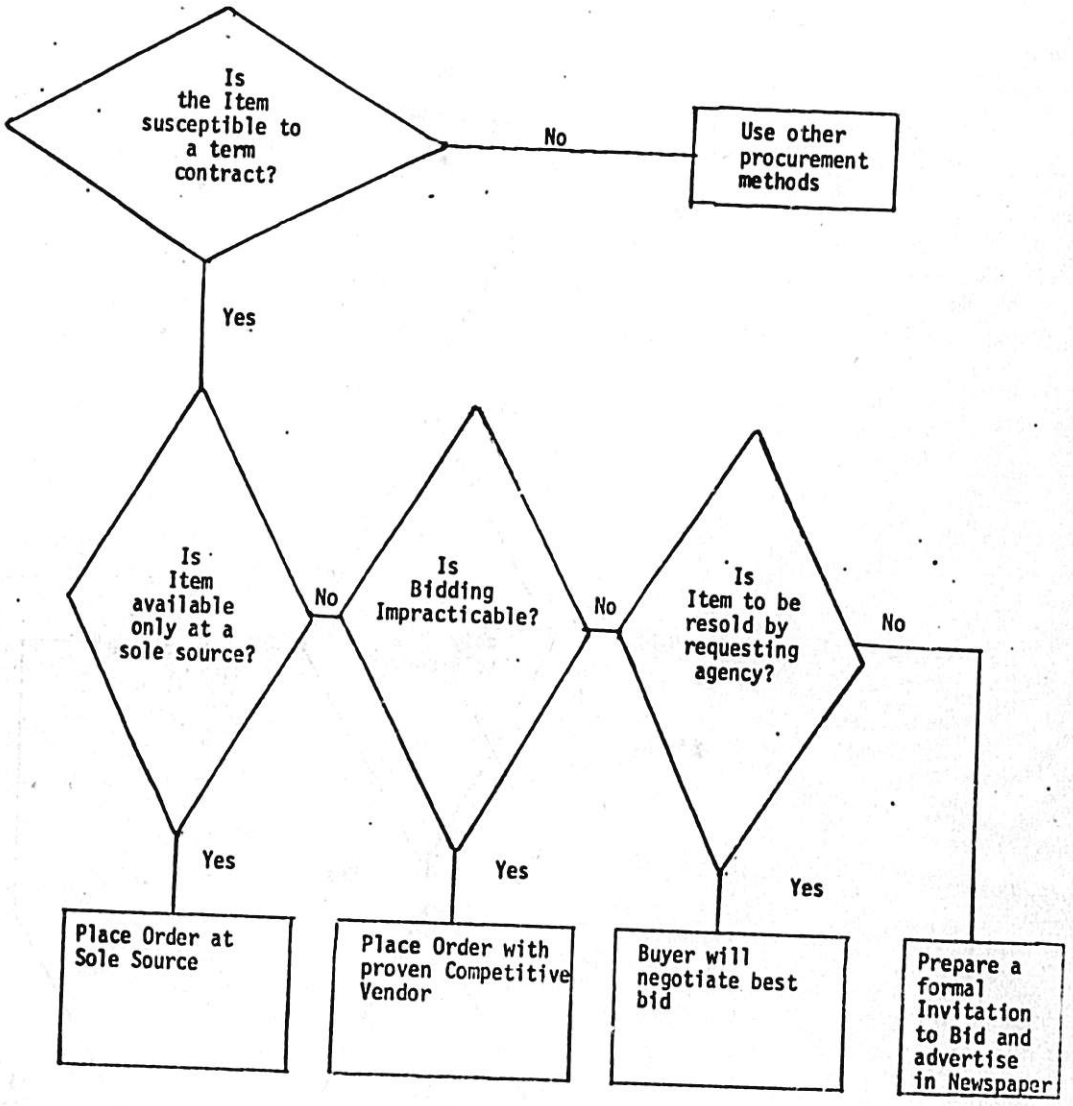
Regular Purchases From Purchase Requisitions, More Than $1,000 Per Item, But Not Exceeding $2,500 Per Item.



Regular Purchases From Purchase Requisitions, Over $2,500 Per Item



TERM CONTRACTS



STANDARD PURCHASE ORDER ACTIVITY
BY DEPARTMENT FOR 1977

Department	Number	Percentage
Arts Commission	11	.1
Building	312	3.7
Citizens Service Bureau	4	-0-
Civil Service	23	.3
Comm. Crime Prevention	4	-0-
D.C.D.	49	.6
Comptroller	42	.5
Energy	5	.1
Engineering	808	9.6
Fire	169	2.0
General Services	332	3.9
Health	631	7.5
Human Resources	111	1.3
Human Rights	1	-0-
Law	14	.2
Law and Justice Planning	6	.1
Council	14	.2
Licenses & Consumer Affairs	142	1.7
Lighting	3,062	36.3
Mayor	19	.2
Municipal Court	105	1.2
O.M.B.	12	.1
OMB/MIS	39	.5
O.P.P.	19	.2
Parks & Recreation	1,156	13.7
Personnel	6	.1
Personnel/Public Employ.	17	.2
Police	382	4.5
Purchasing	19	.2
Retirement	11	.1
Seattle Center	271	3.2
Treasurer	38	.5
Water	595	7.1
Women's Rights	7	.1
	8,436	100.0

RECAP OF EXPENDITURES BY DEPARTMENT

FOR 1977 ON R NUMBERS

Department	Number of R Numbers	% of Total R Numbers	Dollar Value of R Numbers	% of Total Dollars Expended on R Numbers
Building	137	5.5	$ 21,158.05	4.9
Community Development	26	1.0	9,652.91	2.2
Engineering	184	7.4	29,236.28	6.7
Fire	44	1.8	6,727.24	1.5
General Services	474	19.0	93,202.25	21.5
Health	104	4.2	14,368.89	3.3
Human Resources	9	.4	625.32	.1
Human Rights	1	-0-	11.53	-0-
Licenses & Consumer Affairs	3	.1	500.36	.1
Lighting	862	34.4	140,642.92	32.4
OMB/MIS	3	.1	644.16	.1
Mayor	2	.1	153.79	.1
Municipal Court	3	.1	1,032.60	.2
Parks and Recreation	320	12.8	65,822.79	15.2
Personnel	5	.2	396.99	.1
Purchasing	4	.2	586.98	.1
Police	77	3.1	7,834.09	1.8
Retirement	1	-0-	166.95	.1
Seattle Center	59	2.4	13,373.74	3.1
Treasurer	18	.7	1,081.09	.2
Water	163	6.5	27,264.07	6.3
TOTAL	2499	100.0	$434,482.90	100.0

PURCHASING DIVISION POLICIES AND PROCEDURES

Standard Operating Procedures

Date			
9/73	(1)	SOP 100-005	•Purchasing Plan
9/73		SOP 100-006	•Purchasing Standards and Specifications
2/74		SOP 100-007	•Purchasing Receiving and Inspection
4/74		SOP 100-010	•Purchasing-Supply Contract, "X" Order Petty Cash and Unplanned Procurement
7/74		SOP 100-011	•Risk and Insurance Management
11/78		SOP 100-034	•Equal Employment Opportunity Provisions and Procedures for Contracts for the Purchase of Supplies, Materials or Equipment

Departmental Operating Instruction

	DOI 1091-003	•Improperly Submitted Bids. Provides definitions of late bids, sealed bids, and explicitly delineates the responsibility of the Buyers during the entire bid process.

Departmental Policy and Procedure

7/76	109P-002	•Define duties of Purchasing Division and Purchasing Agent.
	109P-003	•Purchasing Personnel policy regarding access to Purchasing records for copying or inspection.
	109P-004	•Working guidelines in support of statutory requirements.
	109P-005	•Definition of Purchasing Personnel responsibilities and duties regarding correspondence to and from entities outside Purchasing.
	109P-006	•Policy and procedure when making contractual commitments for the City.
8/78	109P-008	•Procedure for uniform prequalification of vendors.
9/29/78	109P-009	•Uniform method of bid solicitation to facilitate procurement activity. to encourage maximum competition

Your City, Seattle

Department Policy & Procedure

Subject:

PROCUREMENT POLICIES AND PROCEDURES

ETHICS

Number 109P-004

Effective

Approved

Department: Executive-Purchasing

Supersedes N/A

Page 1 of 3

1.0 PURPOSE

1.1 To provide employees of Purchasing with working guidelines in support of statutory requirements.

2.0 ORGANIZATIONS AFFECTED

2.1 Division of Purchases, Executive Department.

3.0 REFERENCES

3.1 Article VIII, Section 16, Seattle City Charter, City Ordinance 102151 and Senate Bill 2408, Chapter 74, Laws of 1974, 1st Ex. Sess.

4.0 POLICY

4.1 It is the policy of the Division of Purchases, in the furtherance of its duties and responsibilities required by statute, to employ the highest ethical standards of the procurement profession.

4.2 Purchasing Personnel must avoid compromising situations. Actions must not only be proper, but must appear proper.

4.3 The City is entitled to undivided loyalty from all employees, particularly from those charged with purchasing the goods and services required. A purchasing employee must not have outside interests which conflict with his obligations to his employer.

4.4 The City demands ethical conduct by responsible employees at all times, regardless of whether in the office or away from the office. The amenities of social contact should not include conduct incompatible with the emp er's interests.

4.5 It is unethical to mislead a supplier; moreover, if a buyer cannot supply information requested by a supplier, he should say so frankly, but diplomatically. Furnishing erroneous information, in order to avoid handling difficult questions, will not be tolerated.

4.6 A Buyer should provide his suppliers with the opportunity to correct honest and obvious mistakes without penalty. The corrected price should not, however, be higher than that of the next lowest bidder.

4.7 Suppliers who promote unethical relationships and situations should be avoided, because in the long run they will result in higher prices, poorer quality and difficulties of contract administration.

4.8 Occasional lunches or buffets with suppliers can be acceptable and desirable if they serve as vehicles to facilitate normal business objectives.

4.8.1 Gifts to a Buyer, other than advertising novelties such as calendars or diaries are questionable and shall be avoided.

5.0 DEFINITIONS

N/A

6.0 RESPONSIBILITY

6.1 All Purchasing personnel are responsible for following procedures as set forth below.

6.2 All procurement personnel are responsible for the maintenance of thorough familiarity with City Ordinance 102151 and shall retain at their work stations a copy of said ordinance for ready reference.

6.3 All procurement personnel - to facilitate ready reference - are responsible for the retention, at their work stations, of copies of this and all other policies and procedures applicable to their duties.

7.0 PROCEDURE

7.1 Today's buyer-seller relationship is based upon a mutual need for harmonious relations. The first obligation to a supplier is to give his representative a courteous and considered response

7.2 All suppliers must receive identical information. Example: if one supplier asks for an extension of time, a clarification or interpretation of a specification, etc., then all bidders should be given that same information, in written form.

7.3 Sending an Invitation to Bid when it is known in advance that the purchser would likely not buy from a certain supplier borders on giving misleading information and is unethical.

7.4 Unreasonable demands for service should be avoided. If suppliers recognize that requests for extra service are well considered before they are made, they will become valuable allies in times of emergency.

7.5 Unless a specific exception has been approved by the Purchasing Agent, quotations shall not knowingly be solicited from, nor any order placed with, any company which is owned, controlled, or actively influenced by any employee of the City.

7.6 Selection of sources of supply shall be done in a fair and impartial manner based on record of cost performance, ability capacity, integrity, reputation, financial status, geographical requirements, small business classification and related items.

PROCUREMENT PROCESS

1. Development of Annual Purchasing Plan by the user department (supplies and capital sections).

   The annual purchasing plan is prepared by all user departments in compliance with Section 4 of Ordinance 102151:

   > "All using agencies of the City shall file detailed estimates of their requirements in supplies, materials, equipment, and services within the purview of this ordinance in such manner, at such times and for such future periods as the City Purchasing Agent shall prescribe; provided that nothing herein shall prevent any using agency from filing with the City Purchasing Agent at any time a requisition for supplies, materials, equipment and services, the need for which was not forseen at the time such detailed estimates were filed"

   as well as SOP 100-005, which describes in detail the format for the Purchasing Plan.

2. Approval of capital section by LMB Budget Analyst.
3. Receipt of complete Annual Purchasing Plan by Purchasing Division.
4. The Purchasing Division provides all user departments with a supply of the current year's requisition numbers.

After the receipt of the annual purchasing plan, the user department can then develop a purchase requisition(s) for any item(s) contained in that plan. In doing so, the following steps are used:

5. The purchase requisition is developed by the user department. This document allows the user department to request that a contract be obtained for a specified need, and may include but is not limited to, the technical description of the requested item (specifications) delivery schedule, transportation, criteria for evaluation of vendors and suggested sources of supply.
6. The authorized purchase requisition is sent to the procurement authority with appropriate specifications attached. The procurement authority

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6. The authorized purchase requisition is sent to the procurement authority with appropriate specifications attached. The procurement authority

reviews the purchase requisition and confers with the user department concerning any adjustments to information contained on either the purchase requisition or the specification.

7. Depending on the dollar amount of the purchase requisition, and in compliance with ordinance 102151, sections 5, 6, 7, 8, and 9, the procurement authority determines the competitive nature of the proposed transaction and proceeds with one of the appropriate actions listed:

   i. solicit one telephone bid from proven suppliers;

   ii. solicit three telephone bids;

   iii. prepare a negotiated bid;

   iv. prepare a formal invitation to bid;

   v. declare the item a sole source process;

   vi. declare the item impracticable to bid.

Assuming a formal Invitation to Bid is required, the Purchasing Agent

8. Prepares an advertisement for the item to be procured and solicits bids from all qualified vendors.

Section 5 of Ordinance 102151 states that:

> "Notices inviting sealed competitive bids shall be published at least once in the City's official newspaper, and at least five (5) calendar days must intervene between the date of the last publication and the final date for submitting the bids. . . "

Section 5 exempts purchases from a single (sole) source and purchases where competitive bidding is deemed impracticable by the City Purchasing Agent.

9. An Invitation to Bid package may be prepared as counter information for walk-in vendors who may have the ability to bid on the item requested for procurement. However, the counter bid information can not be substituted for the Formal Invitation to Bid Process.

10. All bids received by the bid closing date indicated in the Invitation to bid package are opened on a pre-determined date and under the guidelines of Section 5, Ordinance 102151. (Exceptions will be noted in a later discussion under Flexibility.)

> "The bids shall be opened in public at the time and place stated in the notice inviting bids. No bids will be considered which arrive at the place of bid opening at any time later than the time specified in the notice inviting bids."

Section 5 also requires the Purchasing Agent to state in writing and keep a public record of any reasons for rejection of bids.

11. The lowest and best bid is then determined and awarded to the appropriate vendor under the guidelines of Section 5, Ordinance 102151.

> ". . . the City Purchasing Agent shall award the contract to the lowest and best bidder, or in the case of multiple awards, to the lowest and best bidders, and in determining the best bidder may consider such factors, among others, as quality, delivery terms, and service reputation of the vendor."

12. A purchase order is prepared by the Purchasing Division.

13. Any verbal disputes by non-award vendors are addressed by the Buyer. If they are not resolved at that level, they are reviewed by the Assistant Purchasing Agent, or the Purchasing Agent.

14. Written letters of threat of suit by a non-award vendor are handled directly by the Purchasing Agent either by

    i. Talking with the non-award vendor to answer all of the vendor's questions in order to help the vendor understand the reasons he was not the lowest and best bidder, and to drop legal charges;

    ii. If the threat of suit is not resolved at this level, the Purchasing Agent directs any written threat of suit action to the Law Department for advise and review.

    iii. In the case of ii, the Purchasing Agent may discontinue the notification of award to the lowest and best vendor until any and all threatened legal action has been reviewed by the Law Department.

15. The procured items are delivered to the appropriate user department.

16. The user department has the delegated responsibility, under ordinance, for receiving and inspecting the procured item.

17. A receiving ticket is prepared by the user department and sent to the Purchasing Division.

18. The vendor sends 3 copies of the invoice directly to the Purchasing Division.

19. Purchasing reconciles the receiving ticket and the invoice copies, retains the receiving ticket and returns all three copies of the invoice to the user department. (Change order are also made at this time).

20. The user department cuts a voucher and sends it, plus one copy of each invoice and one copy of each Purchase Order, to the Comptroller.

21. The Comptroller prepares a warrant and forwards it, plus a copy of the invoice, to the vendor.

Beginning January 1, 1979 steps number 17 through 21 were radically changed under the Central Financial Management System. (CFMS)

22. The Purchasing Division will no longer receive the copies of the invoice from the vendor. Under CFMS

    i. the vendor will send the invoice directly to the user department.

    ii. the user department compares the receiving ticket and invoice, prepares a voucher and forwards the batch to the Comptroller.

    iii. The Comptroller will compare the voucher and invoice(s) and prepare a warrant for the vendor.

    vi. The Comptroller forwards the warrant plus incoices to the vendor and forwards only a copy of the receiving ticket to the Purchasing Division.

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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

March 14, 1979

To: All Board Members

From: Betty L. McFarlane, Executive Secretary

Re: MBE Bid Specification Insert

Under separate cover I have routed to your departments proposed MBE Bid Specification Insert. This matter will be discussed with the Board of Public Works in regular session Wednesday, March 21, 1979 at 10:30 a.m.

BLM:wb

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
(PAW)		
AEM	IDJH	
	LFC	
EMW	HEL	
PMB		

SEATTLE ENG DEPT
MAR 15 7 55 AM '79

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

March 14, 1979

To: Honorable Douglas N. Jewett, City Attorney
Attn.: Phil King, Assistant City Attorney

From: Betty L. McFarlane, Executive Secretary

Re: City of Seattle Standard Plans and Specifications for Public Works Contracts

The Board of Public Works discussed making comments as you requested on revisions to the above Standard Plans and Specs; however, believed that it would be appropriate for the Board to meet with its departments and formulate recommended changes, prior to deciding what amendments should be made. This is the usual procedure for the Board's approval of the Standard Specs. It is difficult to respond to your question without this review process being undertaken and a recommendation made to the Board from that Committee. It appears that representatives from Board departments have been going to your Office with their recommendations when they should have been bringing them to the Board with a request for review of any changes to the Specifications which they might feel appropriate.

The Board would appreciate it if you would refer the particular sections on which you are receiving comments, to them and any of the areas that you have been particularly concerned about; i.e., claims, etc., so that we can review these at the same time. When we are able to draft a revised document, we would appreciate your assistance and review at that time.

BLM/jw

cc: All Board of Public Works Members
Jack Fearey, Director, Seattle Center

ROUTING	DATE	INITIAL
ACTION		
	✓	
FILE		
INFORMATION		
(Paul)		
AEM/DJH		

SEATTLE ENG DEPT
MAR 16 7 50 AM '79

BPW

DEPARTMENT OF TRANSPORTATION

ROUTE SLIP

DATE ✓ 3/13/79

TO: NAME	ORG/RTG SYMBOL
ART MARONEK	
Asst. City Engineer	

- [ ] PER YOUR REQUEST
- [ ] FOR YOUR INFORMATION
- [x] PER OUR CONVERSATION
- [ ] NOTE AND RETURN
- [ ] DISCUSS WITH ME
- [ ] FOR YOUR APPROVAL
- [ ] FOR YOUR SIGNATURE
- [ ] COMMENT
- [ ] TAKE APPROPRIATE ACTION
- [ ] PLEASE ANSWER
- [ ] PREPARE REPLY FOR SIGNATURE OF _____

REMARKS:

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
PAW		
AEM/ABW		
	DJH	
EMW/RJA		
HJS		

MAR 9 8 59 AM '79
SEATTLE FIELD OFFICE

FROM: R. Walter, FHWA | TELEPHONE NO. 759-9555 | ORG/RTG SYMBOL

FORM DOT F 1320.9 (5-67) FORMERLY FORM OST F 1320.1 GPO 904.204

BOARD OF PUBLIC WORKS 1979 LTRS #6

November 29, 1978

HFO-WA

Mr. W. A. Bulley
Secretary of Transportation
Department of Transportation
Olympia, Washington

Re: Buy America Emergency Regulation

Dear Mr. Bulley:

An advance copy of the emergency regulations covering implementation of procedures required under Section 401 of the Surface Transportation Assistance Act of 1978, "Buy American Provision", was hand carried to WSDOT Headquarters on November 16, 1978.

Attached is a copy of the official Federal Register addition (Volume 43 - No. 223, Friday, November 17, 1978, beginning on page 53717).

The emergency regulation is effective upon publication and requires that no Federal-aid highway construction project is to be authorized for advertisement or otherwise authorized to proceed unless at least one of the requirements itemized in 23 CFR 635.410(b) exists.

Structural steel as defined in Subsection (b)(2) refers to newly produced structural steel that under current WSDOT practice would be included in a structural steel bid item. Exceptions to this are: (1) Newly produced steel H-piling and steel sheet piling which are directly cited in the regulation and, (2) A quite substantial quantity of structural steel such as may be required for a major freeway overhead sign support.

In the event you decide to proceed under Subsection (b)(4), it will be necessary that you are able to clearly demonstrate that your effective standard contract provisions favor the use of structural steel to the same or a greater extent than the provisions set forth under Subsection (b)(5) or we will be unable to authorize the procurement as a Federal-aid highway construction project.

Copy: I-1-West Seattle Freeway Bridge Replacement (Cover Ltr only)
10/085/107257

(More)

We recommend that you use the bidding procedure described in Subsection (b)(5) as appropriate and necessary to meet the new statutory and regulatory requirements until such time as the final regulation is developed and published. We would, however, be happy to offer any possible assistance in the event that you decide to proceed under Subsection (b)(4).

Sincerely yours,

PAUL C. GREGSON
Division Administrator

Attachment

cc: Region 10 (HCM-010.1)

ERWalter: mat 11/29/78

a greater extent than the provisions here set forth; or

(5) A bidding procedure described as follows is used. A separate bid item is to be set up for furnishing structural steel to the project site. For this bid item, bidders are to be given the options of submitting a bid for (i) furnishing domestic structural steel, or (ii) submitting a bid for furnishing domestic steel and a bid for furnishing foreign steel. Bidders are to be advised that the contract will be awarded to the bidder who submits the lowest total bid based on furnishing domestic structural steel unless such total bid exceeds the lowest total bid based on furnishing foreign structural steel by more than 10 percent. The determination of foreign or domestic character is based on place of manufacture, and the origin of more than 50 percent of its components.

(c) Where appropriate, the effective date of application of this section is November 6, 1978.

(23 U.S.C. 315; Sec. 401, Surface Transportation Assistance Act of 1978, Pub. L. 95-599, 92 Stat. 2689; 49 CFR 1.48(b).)

NOTE.—The Federal Highway Administration has determined that this document does contain a significant proposal according to the criteria established by the Department of Transportation pursuant to Executive Order 12044.

Issued on: November 15, 1978.

KARL S. BOWERS,
Federal Highway Administrator.

[FR Doc. 78-32613 Filed 11-16-78; 9:21 am]

[4830-01-M]

Title 26—Internal Revenue

CHAPTER I—INTERNAL REVENUE SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES

[T.D. 7571]

PART 54—PENSION EXCISE TAX REGULATIONS

PART 141—TEMPORARY EXCISE TAX REGULATIONS UNDER THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Employee stock ownership plans

AGENCY: Internal Revenue Service, Treasury.

ACTION: Final regulations.

SUMMARY: This document provides final regulations relating to employee stock ownership plans ("ESOP's"). Changes in the applicable tax law were made by the Employee Retirement Income Security Act of 1974 (ERISA) and the Tax Reform Act of 1976. These regulations supersede temporary regulations relating to ESOP's. They are intended to provide guidance for the public in complying with the law. They affect all employees who participate in ESOP's and employers who establish ESOP's.

DATE: The regulations are generally effective for plan years ending after December 31, 1974.

FOR FURTHER INFORMATION CONTACT:

Thomas Rogan of the Employee Plans and Exempt Organizations Division, Office of the Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue NW., Washington, D.C. 20224 (Attention: CC:EE), 202-566-3589.

SUPPLEMENTARY INFORMATION:

BACKGROUND

On September 2, 1977, the FEDERAL REGISTER (42 FR 44395) published proposed amendments to the Pension Excise Tax Regulations (26 CFR Part 54). These proposed amendments were adopted as temporary regulations in a Treasury decision published in the same issue of the FEDERAL REGISTER (42 FR 44394).

After consideration of all written comments received regarding the proposed amendments, they are adopted as revised by this Treasury decision. Also, this Treasury decision supersedes the related temporary regulations.

The revisions in the final regulations are clarifying and procedural and do not make substantive changes in the proposed amendments.

The final regulations do not reflect changes made by the Revenue Act of 1978.

CONTINUING LOAN PROVISIONS UNDER PLAN

Comments from the public questioned whether the requirements of § 54.4975-11(a)(3), relating to certain plan provisions, are formal or operational. They also asked whether, if the requirements are formal, the appropriate provisions may be included in the plan by incorporating references to exempt loan provisions under § 54.4975-7(b).

Section 54.4975-11(a)(3) is restructured in the final regulations. Revisions make it clear that the terms of an ESOP must formally provide participants with certain protections and rights relating to exempt loan provisions. The plan terms providing these protections and rights may not simply consist of references incorporating related exempt loan provisions. Remedial plan amendments adopted before December 31, 1979, to provide these protections and rights are retroactively effective to the later of two dates: (1) The date on which the plan was designated as an ESOP or (2) November 1, 1977.

INTERGRATED PLANS

One comment suggested that the prohibition of integrated ESOP's under § 54.4975-11(a)(7)(ii) should not apply to plans in existence before November 1, 1977, that are designated as ESOP's after that date.

The final regulations do not adopt this suggestion. Instead, they make it clear that the prohibition against intergrated ESOP's applies to any plan designated as an ESOP after November 1, 1977. This provision is in accordance with the Report of the Committee of Conference on the Tax Reform Act of 1976 (H.R. Rep. No. 94-1515, 94th Cong., 2d Sess., 541, 542 (1976)).

TEMPORARY REGULATIONS SUPERSEDED

These final regulations supersede substantially indentical temporary excise tax regulations. Under § 141.4975-11, the proposed amendments were adopted as temporary regulations until supersession by permanent regulations.

DRAFTING INFORMATION

The principal author of this regulation was Thomas Rogan of the Employee Plans and Exempt Organizations Division of the Office of Chief Counsel, Internal Revenue Service. However, personnel from other offices of the Internal Revenue Service and Treasury Department participated in developing the regulation, both on matters of substance and style.

ADOPTION OF AMENDMENTS TO THE REGULATIONS

Accordingly:

§ 141.4975-11 [Deleted].

1. 26 CFR Part 141 is amended by deleting § 141.4975-11.

2. The amendments to 26 CFR Part 54 are hereby adopted subject to the changes set forth below.

PARAGRAPH 1. Paragraph (a)(3) of § 54.4975-11, as set forth in the notice of proposed rulemaking, is changed to read as follows:

§ 54.4975-11 "ESOP" requirements.

(a) *In general.* • • •

(3) *Continuing loan provisions under plan—(i) Creation of protections and rights.* The terms of an ESOP must formally provide participants with certain protections and rights with respect to plan assets acquired with the proceeds of an exempt loan. These protections and rights are those referred to in the third sentence of § 54.4975-7(b)(4), relating to put, call, or other options and to buy-sell or similar arrangements, and in § 54.4975-

Amprolium in grams per ton	Combination in grams per ton	Indications for use	Limitations	Sponsor
(iv) • • •				
	Bacitracin 4 to 50	1. • • •	As bacitracin methylene disalicylate or bacitracin zinc.	Bacitracin zinc by No. 012769 in § 510.600(c) of this chapter.
		2. • • •	....do	Do.

Effective date: This regulation is effective November 17, 1978.

(Sec. 512(i), 82 Stat. 347 (21 U.S.C. 360b(i)).)

Dated: November 8, 1978.

LESTER M. CRAWFORD,
Director, Bureau of Veterinary Medicine.

[FR Doc. 78-32028 Filed 11-16-78; 8:45 am]

[4910-22-M]

Title 23—Highways

CHAPTER I—FEDERAL HIGHWAY ADMINISTRATION, DEPARTMENT OF TRANSPORTATION

SUBCHAPTER G—ENGINEERING AND TRAFFIC OPERATIONS

[FHWA Docket No. 78-35]

PART 635—CONSTRUCTION AND MAINTENANCE

Buy American Requirements

AGENCY: Federal Highway Administration, DOT.

ACTION: Final rule.

SUMMARY: This emergency regulation implements procedures required under section 401 of the Surface Transportation Assistance Act of 1978 (Act), Buy America provision, which provides, with exceptions, that funds authorized by the Act may not be obligated for highway projects unless materials and supplies are of United States origin.

DATES: This emergency regulation is effective November 6, 1978. Comments must be received on or before January 17, 1979.

ADDRESS: Anyone wishing to submit comments may do so, preferably in triplicate, to FHWA Docket No. 78-35, Federal Highway Administration, Room 4205, HCC-10, 400 Seventh Street SW., Washington, D.C. 20590. All comments and suggestions received will be available for examination at the above address between 7:45 a.m. and 4:15 p.m. ET, Monday through Friday.

FOR FURTHER INFORMATION CONTACT:

Kenneth L. Ziems, Construction and Maintenance Division, 202-426-4847; or Lee J. Burstyn, Office of the Chief Counsel, 202-426-0786, Federal Highway Administration, 400 Seventh Street SW., Washington, D.C. 20590.

SUPPLEMENTARY INFORMATION: On November 6, 1978, the President signed into law the Surface Transportation Assistance Act of 1978, Pub. L. 95-599, 92 Stat. 2689. The provisions of Section 401, Buy America, are effective immediately and require implementation. Current regulations, 23 CFR 635, subpart D, prescribe procedures relating to product and material selection and use on Federal-aid highway projects, but are contrary to the requirements of the 1978 Act.

The Federal Highway Administrator, Karl S. Bowers, has determined that the required implementation of the new Buy America provision will have a major impact on many highway construction programs of the States. Section 401 allows for a modification in its application when such application would be inconsistent with the public interest. Foreign structural steel has been identified as the only foreign product having a significant nationwide effect on the cost of Federal-aid highway construction projects and its continued unrestricted use is contrary to Section 401 of the Act.

Therefore, the Administrator has determined that this emergency regulation is necessary and consistent with the public interest to provide regulations which will immediately implement the Buy America provision as it relates to the use of structural steel in highway projects. In addition, the Administrator has determined that it would be in the public interest to temporarily waive the provisions of section 401 as it applies to products and materials, other than structural steel, used in highway construction. The issuance of this regulation will allow the Federal Highway Administration to authorize States to proceed with advertising projects without incurring undue delay while awaiting formulation of implementing regulations.

This emergency regulation will allow for the immediate application of section 401 and assure the proper expenditure of Federal funds. In the interim, more extensive procedures may be devised which will fully encompass the policies, objectives, and requirements of the new Buy America provision. The legislation history of this provision indicates that Congress intended it to be interpreted in the light of the 1933 Buy American Act, 41 U.S.C. 10a-10d, as amended.

A docket for comments has been assigned to this regulation and the public is invited to submit their views and comments. Comments may also address future implementation of the Buy America provisions and revisions to the existing 23 CFR 635 Subpart D. These comments may be utilized in formulating a final regulation on this matter and may address proposed criteria concerning the identification of products and materials covered under the Act and implementing procedures.

In consideration of the foregoing, Part 635, Subpart D of Chapter I, Title 23, Code of Federal Regulations, is amended as follows:

1. The table of sections is amended by adding a new section to read:

Sec.
635.410 Buy America requirements.

2. Section 635.410 is added to read as follows:

§ 635.410 Buy America Requirements.

(a) The provisions of this section shall prevail and be given precedence over any requirements of this subpart which are contrary to this section.

(b) No Federal-aid highway construction project is to be authorized for advertisement or otherwise authorized to proceed unless at least one of the following requirements exist:

(1) The project has a total estimated cost of less than $450,000;

(2) The project includes no structural steel. Structural steel is defined as shapes, plates, H-piling, and sheet piling;

(3) The project is undertaken pursuant to 23 U.S.C. section 117 and the State's laws, regulations, directives and standards are adequate to accomplish the policies and objectives of § 401 of the Surface Transportation Assistance Act of 1978, Pub. L. 95-599;

(4) The State has in effect standard contract provisions that favor the use of domestic materials and products, including structural steel, to the same or

STATE OF WASHINGTON

Dixy Lee Ray
Governor

DEPARTMENT OF TRANSPORTATION
Highway Administration Building, Olympia, Washington 98504 206/753-6005

December 7, 1978

Mr. Paul C. Gregson
Division Administrator
Federal Highway Administration
Olympia, WA 98507

Dear Mr. Gregson:

Your letter of November 29, 1978 forwarded a copy of the Federal Register (Volume 43-No. 223, Friday, November 17, 1978) containing the emergency regulations implementing procedures required under section 401 of the Surface Transportation Assistance Act of 1978, "Buy American Provision" and acknowledged the advance copy of such emergency regulations had been hand carried to this office on November 16, 1978.

In determining whether to proceed under Subsection (b) (4) or (b) (5) under 23 CFR 635.410, it appears that our effective standard contract provisions do not favor the use of structural steel items to the same or greater extent than the provisions set forth under Subsection (b) (5).

We believe that provisions set forth under Subsection (b) (5) provide a specification that can be administered even though we expect some "game playing" to occur with respect to it. While your offer of assistance with regard to our possible adoption of procedures under Subsection (b) (4) is sincerely appreciated, we concur with your recommendation that the bidding procedure described in Subsection (b) (5) be used to meet the emergency regulations until such time as the final regulation is developed and published. It is, therefore, our intention to do so.

Very truly yours,

R. E. Bockstruck, P. E.
Roadway Development Engineer

REB:drr
MAS/WRC(DS)

CC A. D. Andreas
T. G. Gray

Should the Contractor fail to comply with any requirements of a temporary permit obtained in the State's name, the State will take the necessary action to meet these requirements and any costs incurred by the State will be deducted from monies due or to become due the Contractor.

ACCESS FOR FIELD MEASUREMENTS

Part of the substructure (Piers 3 through 8) of the East Channel Bridge was constructed under State Contract No. 8720. For informational purposes, a set of substructure construction plans is included with the plans.

The superstructure and remainder of the substructure of the East Channel Bridge has been designed and detailed based on the construction plans for the existing substructure.

The Contractor shall provide access to Piers 3 through 8, including access to the tops of the piers, for State personnel to conduct necessary field measurements to verify the alignments of the piers, the locations and projections of the existing anchor bolts and other work. The method of transportation and other requirements for access shall be as directed by the Engineer.

All cost in connection with providing access to the piers as outlined herein will be paid for on a force account basis in accordance with section 1-09.6 of the standard specifications.

For the purpose of providing a common proposal for all bidders, and for that purpose only the State has estimated the cost of the item of "Access to Work" and has arbitrarily entered the amount in the bid proposal to become a part of the total bid by the Contractor.

AMERICAN MADE MATERIALS

In addition to the requirements of section 1-06.5, American-Made Materials Required, of the standard specifications, the following shall apply regarding the structural steel items to be performed on this project:

The Contractor shall submit a bid for the following item appearing in the contract documents under the heading "Alternate 1."

"Domestic Structural Low Alloy Steel"

The Contractor may also submit a bid for the following item appearing in the contract documents under the heading "Alternate 2."

"Foreign Structural Low Alloy Steel"

A Contractor electing to submit a bid for the "Foreign Structural Steel" item under Alternate 2 must also submit a bid for the appropriate "Domestic Structural Steel" item under Alternate 1.

Subject to the provisions of section 1-03 of the standard specifications, all bidders are advised that the contract will be awarded to the bidder who submits the lowest total bid based on furnishing domestic structural steel unless such total bid exceeds the lowest total bid based on furnishing foreign structural steel by more than 10 percent. In that event, the contract will be awarded to the bidder who submits the lowest total bid based on furnishing foreign structural steel. The determination of foreign or domestic character is based on place of manufacture and the origin of more than 50 percent of its components.

SHOP INSPECTION EXPENSE

Additional shop inspection expenses will be sustained by the State if all or a portion of the structural steel is fabricated at some distance from State inspection facilities. It is impractical and extremely difficult to ascertain and determine the actual increase in inspection expenses. To cover these extraordinary steel fabrication inspection expenses for the item of "(Domestic or Foreign) Structural Low Alloy Steel" the Contractor agrees to pay and authorizes and directs the State to deduct from any monies due or coming due to the Contractor the sums shown on the following schedule for steel fabrication shop inspection expenses:

Zone	Place of Fabrication	Reduction in Payment
I	Within 300 air line miles of Seattle	None
II	Between 300 and 3,000 air line miles of Seattle	$0.005 per pound
III	Over 3,000 air line miles of Seattle	$0.006 per pound

Where fabrication of a member takes place in more than one zone, the reduction in payment will be computed on the basis of the entire member being fabricated in the farthest of the zones where any fabrication takes place on that member.

No part of the foregoing provision shall be construed to revise the requirements of any part of section 1-06.5 of the standard specifications.

PLANS OF EXISTING SUBSTRUCTURE

As-built plans of the existing portions of the substructure are included in the plan sheets for the Contractor's information. Additional legible copies of the as-built plans of the existing portions of the substructure will be available at the Project Engineer's office.

TEST HOLE DATA

The attached log of test boring sheets are reproductions of the original Log of Test Boring for the test holes indicated on the Layout Sheets of the plans.

the Business Service Center, General Services Administration, Regional Office Building, Seventh and D Streets, Washington D.C.

Copies of standard grading and dressing rules may be obtained from the West Coast Lumber Inspection Bureau, Seattle, Washington, or Portland, Oregon, and from the Western Pine Association, Portland, Oregon.

1-06.3 Special Methods of Test.

Details of special methods of tests designated elsewhere in these specifications or in the special provisions are as outlined in the Laboratory Manual of the Materials Division of the Department of Highways.

1-06.4 Handling and Storage of Materials.

All materials shall be handled in such manner as to preserve their quality and fitness for the work.

All materials intended for use in the work shall be stored by the Contractor by means that will prevent damage from exposure to the elements, from a mixture of foreign material, or from any other cause. The Engineer will refuse to accept, or to sample for testing, any materials that are improperly stored.

1-06.5 American-Made Materials Required.

Unless otherwise authorized in writing by the Director of Highways, American made highway and bridge construction materials shall be used by the Contractor. Any one or more of the following factors may be considered by the Director of Highways in authorizing the use of non-American made construction materials. Determination of the Director shall be final.

1. That inspection procedures satisfactory to the State can be employed. It is recognized that for certain materials it may be necessary to conduct such inspections at the place and time of manufacture or fabrication. It is recognized further that costs, time, and availability of State personnel for such inspections shall be considered.
2. Delays to completion of the project from any related cause including, but not limited to, additional time for inspection, manufacturing or fabrication schedules and delivery schedules.
3. The net cost to the State resulting from inspection cost, project delivery costs, and any other costs directly assignable to the material.

When non-American made construction materials are utilized, the Contractor in compliance with Chapter 39.25 RCW shall, upon completion of the work, furnish a certified statement setting forth

the nature and source of non-American made materials in excess of twenty-five hundred dollars ($2,500.00) which have been used by the Contractor in performance of the work. The statement shall be delivered to the Department of General Administration, Division of Purchasing, Room 216 General Administration Building, Olympia, Washington 98504. A copy shall be furnished to the Engineer.

1-06.6 Sieves for Testing Purposes.

Sieves for testing purposes shall be woven wire cloth sieves or square hole perforated plates conforming to the requirements of AASHTO Designation M 92 or ASTM Designation E 11.

WSDOT STD SPECS, 1977

BPW

SEATTLE ENG DEPT
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PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

March 7, 1979

To: All BPW Members and your staffs

From: Betty L. McFarlane, Executive Secretary

Re: BPW/Member Depts. new Ordinance responsibilities

On March 5, 1979 we transmitted an analysis of the changes effective January 1, 1979 for Board members and their departments due to Charter Amendments. Section 1 (d) should be corrected to read December 31, 1980.

BLM:wb

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All Staff		

SEATTLE ENG DEPT
MAR 8 10 32 AM '79

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

March 6, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: "Rules and Regulations" Book -
Revised Pages -
RULES OF THE BOARD OF PUBLIC WORKS -
PROCEDURES FOR AWARD OF PUBLIC IMPROVEMENT CONTRACTS

January 1, 1979 was the effective date of the new Board of Public Works Ordinance 107785. In accordance therewith, the Board amended its "Rules" and Procedures for Public Works Improvements.

Revised Pages 51, 52, 52(a); and 52(b), 52(c) are attached. Please include these in all Board of Public Works' "Rules and Regulations" books retained by your departments.

We will place them on file with the existing Board of Public Works' Rules, Regulations and Procedures in the City Comptroller's Office in accordance with Administrative Code, Ordinance 102228, which rules and regulations were readopted by the reconstituted Board in regular session January 3, 1979, as a matter of formality.

BLM/jw

Atts.

cc: Comptroller - C.F. File No. 276261
Municipal Reference Library (2)
Shirley Kolm, Director, Legislative Audits
Lauraine Brekke, Executive Director,
Legislative Department

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SEATTLE ENG DEPT

RULES OF THE BOARD OF PUBLIC WORKS

CITY OF SEATTLE

MEMBERS:

Director of Engineering
Superintendent of City Light
Superintendent of Parks and Recreation
Superintendent of Buildings
Superintendent of Water
Executive Secretary

The Rules of the Board of Public Works of the City of Seattle have been amended to read as follows:

Rule 1. *The regular meeting of the Board of Public Works shall be called at 9:00 a.m., on Wednesday of each week, unless said day be a legal holiday, in which event the meeting shall be held on the first business day prior thereto.*

Rule 2. *The Board shall annually, at the first meeting following the Mayor's appointment of the Chairman, elect a Vice-Chairman.*

Rule 3. *Special meetings may be held at any time upon the call of the Chairman, or in case of his absence or refusal to act, the Executive Secretary upon request of three members, who shall state in writing the reasons therefor, may call such special meeting.*

Rule 4. *A majority of all the members of the Board shall constitute a quorum for the transaction of the business of the Board. Each Board member shall designate an alternate(s) to act in his/her behalf on the Board in case of absence. This shall be in writing to the Board of Public Works.*

Rule 5. *The Chairman shall vote on all questions before the Board and on a roll call his name shall be called last.*

Rule 6. *The Chairman shall preside over all meetings of the Board, provided that in the absence from the City or incapacity of the Chairman, meetings of the Board shall be called to order and presided over by the Vice-Chairman.*

Rule 7. For the purpose of expediting the work, the Board shall be divided into four standing committees, which shall investigate all matters referred to them by the Board and shall prepare reports on same. The Committees shall be constituted as follows:

Street Vacation Committee:

Director of Engineering, Chairman
Superintendent of Water
Superintendent of Parks and Recreation

Street Naming Committee:

Superintendent of Buildings, Chairman
Superintendent of Water
Director of Engineering

Utilities and Franchises Committee:

Superintendent of City Light, Chairman
Superintendent of Water
Director of Engineering

Committee of the Whole:

All members on call.

Rule 8. All final committee reports shall be made to the Board in writing. In making a final report, the committee shall return all records and papers pertaining to the question to the Executive Secretary.

Rule 9. The Regular Order of Business of the regular meetings shall be as follows:

1. Call to order--Approval of minutes of previous session.
2. Applications and Petitions.
3. Ordinances and Resolutions.
4. Communications.
5. Assessment Rolls.
6. Council Files.
7. Reports of Committees.
8. Unfinished Business.
9. Extensions of Time.
10. Opening of Bids.
11. Awarding of Contracts.
12. Plans and Specifications.
13. Acceptance of Contracts.
14. New Business.
15. Adjournment.

Rule 10. *All requests and recommendations of the Board members for their respective Departments shall be made in writing to the Executive Secretary for presentation to the Board, all communications to be in duplicate, and be in the hands of the Executive Secretary no later than 5:00 p.m. of the Monday preceding the Board meeting.*

Rule 11. *All recommendations and requests from the Board departments must be endorsed by the Department Head before action is taken thereon by the Board.*

Adopted by the Board of Public Works in regular session on January 3, 1979.

CONTRACTS FOR PUBLIC IMPROVEMENTS: All public improvements to be made by contract shall be let to the lowest and best bidder. Before awarding any such contract the Board of Public Works shall publish a call in the official newspaper of the City for at least five consecutive days, inviting sealed bids for such improvement. A copy of the plans and specifications shall be at the time of the first publication of such call on file in the Office of the Executive Secretary of the Board, open to public inspection.

The call shall state generally the improvement to be made, and all bids shall be sealed and filed with the Executive Secretary on or before the day and hour named therein, which time shall be not less than four days after the last publication of said call.

All bids shall be accompanied by a certified check, payable to the order of the City Treasurer or a surety bond for a sum not less than five per cent (5%) of the amount of the bid, and no bid shall be considered unless accompanied by such check or bond.

At the time and place named, such bids shall be publicly opened and read; no bid shall be rejected for informality, if it can be understood what is meant thereby. The Board shall proceed to determine the lowest and best bidder, and may let such contract to such bidder, or if all bids are deemed too high, they may reject all and readvertise, and in such case all checks shall be returned to the bidders; but if such contract be let, all checks shall be returned to the bidders except that of the successful bidder, which shall be retained until a contract be entered into in accordance with such bid. If the said bidder fails to enter into such contract within ten days from the date upon which he/she is notified that he/she is the successful bidder, the said check or bond shall be forfeited to the City, and credited to the improvement, and the Board shall readvertise for proposals for such work. Neither the Board nor the City Council may remit such forfeiture.

IMPROVEMENTS MAY BE MADE BY CONTRACT OR BY DAY LABOR: All local and other improvements as are prescribed by Ordinance may be made by contract to be let to the lowest and best bidder therefor, under the management of the Board of Public Works, or, in the Board's discretion, such improvement may be done under the management of the Board by day labor, if there is no conflict with State law, Senate Bill 2143. When day labor is approved, the Board shall direct the purchase of the necessary materials and supplies through the Purchasing Agent, who shall secure the same in compliance with specifications prepared by the Board and subject to their acceptance.

Bids may be received for all or any part of any proposed contract and no contract shall be sublet except for the furnishing of material without the previous consent of the Board of Public Works in writing.

COMPLETION OF CONTRACT: No improvement shall be deemed completed until the Board shall have filed with the City Clerk a statement declaring the same completed.

MINIMUM WAGE TO BE PAID: Every contractor and subcontractor performing any local or other improvement work for the City of Seattle shall pay or cause to be paid to his/her employees on such work or under such contract not less than the prevailing rate of pay required by any applicable law, or on a contract financed with grant assistance, by any applicable regulations.

PUBLIC WORK ON SUNDAY, HOLIDAYS AND AT NIGHT, PERMIT FOR: No construction work shall be done by the City on any legal holiday or Sunday; nor shall any work be done on any such day, or after seven o'clock p.m. and before six o'clock a.m. of any other day, upon or over any street or other public place, except in case of emergency, upon written permit of the Board of Public Works, wherein the fact of such emergency, and the nature thereof, shall be specified.

PUBLIC UTILITY CONSTRUCTION, PERMIT FOR: No corporation or person shall construct any public utility facility on, under, or over any public place in the City without first obtaining a permit from the Board of Public Works.

CONTRACTORS' BONDS: All contractors' performance bonds shall be approved as to form and as to sufficiency of sureties by the City Attorney.

ASSIGNMENT OF CONTRACTS: No contract for public work shall be assigned without the consent of the Board of Public Works, and of the sureties on the contractor's bond, and any assignment without such consent, except by operation of law, shall render the same null and void as to further performance without any act on the part of the City.

DEFAULTING CONTRACTORS: The Board of Public Works shall not enter into contract for public work with any person who within two years prior thereto shall have abandoned, surrendered or failed to complete any such contract in accordance with the plans and specification requirements.

Adopted by the Board of Public Works in regular session: January 3, 1979.

BPW

Re: BPW/Member Depts. new Ordinance responsibilities

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 3-5-79
(date)

All BPW Members and your staffs
(referred to)

Betty L. McFarlane, Executive Secretary BLM
(referred by)

_____ Please prepare reply for the Executive Secretary's signature on office stationery.

_____ Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

_____ Forwarded for your investigation, report, and recommendation.

_____ Forwarded for your information and files.

X Other: Your people may be wondering what changes there have been since the new Ordinances were passed by the City Council for BPW member Depts. Attached is general list of duties, responsibilities and Board involvement re same. Perhaps this could be reviewed at staff meetings.

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INFORMATION		
PAW		
All Staff		

*Action requested no later than _____
(date)

SEATTLE ENG DEPT
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Charter Amendments 1977
Board of Public Works and Member Departments
Effective January 1, 1979

I. Board Members - under direction of Mayor

(a) Superintendent of City Light - Four-Year Term - December 31, 1979
(b) Director of Engineering - Four-Year Term - December 31, 1980
(c) Superintendent of Buildings - Four-Year Term - December 31, 1982
(d) Superintendent of Parks and Recreation - Four-Year Term on Board of Public Works only - December 31, 1979
(e) Superintendent of Water - Four-Year Term - December 31, 1982

II. Duties of Department Heads:

(a) Each member of the Board continues to have the same responsibilities as in the previous Charter, but duties are now set forth by ordinance (except for Parks which is by Charter amendment). The Board is not responsible for overseeing some of the duties of the past Charter. (The Board no longer is involved in municipally-owned property management. They are, however, still responsible for management of the public streets.)

(b) Departments may deal directly with the City Council via the Mayor for the purchase or sale* of municipal property and approve temporary use of their department's properties - except street use. *The Board may be used, however, as a vehicle for bidding purposes, if desired.

(c) Member public works departments continue to submit design and public works improvement contracts, including plans and specifications, for same to the Board for approval. This includes all contract changes, extensions, amendments, extra work, acceptances, payments to contractors, etc.

III. Board of Public Works - directs public works activities

(a) Awarding authority for public works design and construction contracts.

(b) The Board sets rules and regulations for conduct of its business.

(c) The Board is responsible to ensure that all public work activities and contracts for public works, are developed and carried out in a manner consistent with City Charter, applicable laws and Board rules and regulations (prevailing wages, claims, payments to contractors, etc.). Public improvements to be made pursuant to contract are awarded to the lowest and best bidder.

(d) The Board manages public street area and approves permits for:

1) Street Use (newsstands, sidewalk cafes, street fairs, etc.)

2) Utilities and franchises (Ordinance 90047) for cable television, tunnels, skybridges, overpasses, utility vaults, etc.

Board of Public Works (continued)

3) Waterways (Harbor Code 87983) - Lake Union - also, street ends under water.

4) Traffic control (Traffic Code 91910) - traffic diverter systems, street closures, circles and other traffic control devices - also, parking permits for pool parking.

5) Makes recommendations to City Council on street vacations, naming streets, franchises, skybridges.

(e) Administers contracts for collection of garbage and solid waste and for development and operation of disposal sites.

(f) Performs other functions assigned by ordinance or by the City.

IV. Board of Public Works Department - Office of Executive Secretary of the Board

The Board appoints an Executive Secretary to act as Administrative Officer of the Department and Secretary of the Board. Exempt position (present incumbent has previous Civil Service standing in the position). Duties are as outlined in Classification Specification. Some of the duties of the position are:

1) Directing the operation and management of the Department.

2) Appointing, supervising and controlling staff.

3) Directing preparation of budget, payrolls, bills, maintenance of records, files, etc.

4) Implementing the direction of public works activities.

5) Directing the call for bids, etc.

6) Coordinating activities of Board Member departments and others in regard to public works and permits.

7) Coordinating requests for use of public street area with concerned departments and agencies prior to Board action.

8) Interpreting Board rules and regulations; requiring a working knowledge of applicable codes, ordinances and laws which govern the jurisdiction of the Board.

9) Providing direction and assistance to Board Member departments in all areas of the responsibilities of the Board.

10) Assuring that all contracts are legally developed and carried out.

Board of Public Works (continued)

11) Assuring that prevailing wages are paid on public works contracts.

12) Signing all contracts, Board correspondence, payments to contractors, plans and specifications, etc.

13) Directing the compilation of information for Board, research, communications, acting as liaison and contact with public, contractors, other agencies and City government.

14) Developing policies and making recommendations to the Board on rules, regulations, procedures and matters which come before the Board for their action.

15) Deciding course of action on communications and questions referred to Board, taking either direct action thereon, or passing on to Board with recommended course of action.

16) Attending and participating in meetings of the Board.

17) Notifying all concerned of Board action, etc.

18) Representing the Board in all areas of its responsibility.

19) Carrying out the day to day enforcement of the various contracts, ordinances and business for which the Board is responsible.

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Re: Status Report of Items referred to others for our Hold

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 3-1-79
(date)

Ref BPW Members
(referred to)

Pam
(referred by)

____Please prepare reply for the Executive Secretary's signature on office stationery.

____Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____Forwarded for your investigation, report, and recommendation.

X Forwarded for your information and files.

____Other: If we are incorrect on any of these - let me know. We need to move some of these along and would appreciate your checking on those under your depts. listing. Thanks

*Action requested no later than _____
(date)

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(PAW)		
EMW KJC		RHA
5c AEM	WGV	

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SEATTLE ENG DEPT

3-1-79

STATUS REPORT -

BPW ITEMS IN HOLD

Date	Item	Missing Board Dept. Replies
TO ALL BOARD OF PUBLIC WORKS MEMBERS:		
12-13-78	Policy - Fees for Long-Term Encroachments on City streets	Water
1-11-79	Proposed Procedures for Ensuring Timely Review of BPW Contracts	Water
1-12-79	Revised Page 63 - Rules & Regulations Books Policy on Canopies	Parks, Water
2-14-79	Draft Amendment to Street Use Ordinance re. House Moving	Light, Parks, Water
TO INDIVIDUAL BOARD DEPARTMENTS:		
5-3-78	Safety Gate, 706 E. Pike - Richard Carothers Associates	Engineering - Street Use
6-30-78	Pavement Opening Policy	Engineering
7-21-78	Closure of Hudson S.W., between 46th & Erskine S.W.	Engineering
11-2-78	Office of Cable Communications - Space	Buildings
1-8-79	Hadley Properties, Inc. - (Pacific Bldg. Corp. 33-story ofc. bldg.) (1) Ord. Authority to build Pedestrian Skybridge (2) St. Use Permit for 12" bldg. projection into alley	Engrg.-Franchises & Utilities
1-15-79	South Angeline St. - Petition for Arterial Status	Traffic Engineer
1-17-79	Renaming Burke Avenue North to "College Way North"	Supt. Buildings, Chairman, Street Naming Committee
1-25-79	Electrical Transformer Vault, Areaway adjacent to 118-120 First Ave. So. (Stickney & Murphy)	Engrg.-Franchises & Utilities
1-25-79	Old Harbor Station, So. Washington & Alaskan Way	Buildings
1-29-79	Boondocks, 611 Broadway East - Sidewalk Cafe	Engineering - Street Use
1-29-79	BPW Rules & Regulations - Paving & Beautifying Planting Strips	Engineering - Street Use

Date	Item	Missing Board Dept. Replies
9-7-77	Surplus Government Property Addition to Discovery Park	Parks
12-7-77	Permits for vessels moored in submerged public street area	Engineering - J. Kertes
1-24-78	Seattle-First National Bank Skybridge (Eastlake Branch)	Engineering - Ray Allwine
2-7-78	Skybridge - Promenade 23	Engineering - Ray Allwine

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Public Works Contracts

February 21, 1979

Mr. Jack Fearey, Director
Seattle Center
City of Seattle

Dear Mr. Fearey: Jack

In connection with your recent communication to the Mayor relative to procedures for public works contracts and related matters, the Board would like to discuss the subject with you at its next regular meeting February 28, 1979 at 10:15 a.m. in Room 304, Seattle Municipal Building.

Please advise if this time and date is convenient for you.

Yours truly,

BOARD OF PUBLIC WORKS

Betty

Betty L. McFarlane
Executive Secretary

BLM:wb

cc: All Board Members
Al Wyemura, Seattle Center

ROUTING	DATE	INITIAL
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SEATTLE LIND DEPT
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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE

BOARD OF PUBLIC WORKS

DEPARTMENT

M E M O R A N D U M

February 16, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Public Works Project Funding Information

It is imperative that all project funding information be provided to this Office and Human Rights Department so that contracts are put together with the appropriate Affirmative Action regulations.

In the last week, two projects have come through without the required inserts. Without proper forms in Specifications, project funding is in jeopardy.

A concerted effort is required by all to assure legal conformance with applicable law on public works projects.

BLM/jw

cc: Parks--Don Harris/Ed Engel/Evelyn Larson
Engineering--Bob Chandler/Doug Howell
City Light--John Hansen
Water--Bill Rashkov
Buildings--Bob Snyder
Seattle Center--Jack Fearey/Wally Slabaugh/
Al Wyemura/Rich Richmire
Human Rights Department
Dept. of Community Development

Copy: Human Rights Dept

ROUTING	DATE	INITIAL
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EMW	RHC	

SEATTLE ENG. DEPT.
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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

February 9, 1979

SEATTLE ENG DEPT
FEB 13 7 55 AM '79

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Board of Public Works' Agenda Scheduling

As a matter of clarification, some of your people are under the impression that if items are received in my Office by 5:00 p.m. Monday preceding the next Wednesday's Board meeting, they will automatically be placed on the Board's agenda. I wish to stress that this is not the case. All items received are subject to review by me prior to placement on the agenda to assure that all necessary background information is received, legal requirements are met, and proper procedures have been followed.

Some matters must be referred to all Board of Public Works member Departments for input prior to scheduling; then it is necessary for me to produce a spread sheet and recommendations to the Board of Public Works. If all appropriate legal requirements have been met and input received, they will be placed on the Board's agenda. Some items are routine and the 5 o'clock Monday deadline will result in their being placed on the next Wednesday's meeting.

Also, some Wednesday agendas might be full, or sufficient time for notification to others is necessary.

The scheduling of items on the Board's agenda is my responsibility, and the 5 o'clock deadline does not always mean the item can be scheduled even if it is received by that time.

I would appreciate your advising people accordingly. If there are questions, please advise.

BLM/jw

ROUTING	DATE	INITIAL
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PAUL A. WIATRAK, DIR. OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

February 8, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Board of Public Works' Agenda -- Items Scheduled as follows:

Areaway Policy: 10:15 a.m., February 14, 1979

S.O.P. Traffic Diverters: 10:45 a.m., February 14, 1979.

This is a reminder that we need recommendations on the above subjects prior to the Board meeting on February 14.

Also, due to the holiday, the deadline for submittal of other agenda items will be the preceding Friday, February 9.

BLM/jw

ROUTING	DATE	INITIAL
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SEATTLE FINANCE DEPT
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B P&H

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

MEMORANDUM

ROUTING	DATE	INITIAL
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aem/	DJH/LFC	

February 1, 1979

To: City Comptroller

From: Betty L. McFarlane, Executive Secretary BLM

Re: Rules and Regulations for Determining "Lowest and Best Bidder"

The Board of Public Works, in regular session January 31, 1979, approved the attached Rules and Regulations for Determining "Lowest and Best Bidder."

Please place the attached in C.F. 276261 in accordance with Ordinance 102228 and it will also be included in all Board of Public Works' Rules and Regulations books retained by Board departments.

BLM:wb

cc: Mayor Charles Royer
All Board of Public Works Members
C.F. 276261
City Council
Human Rights Department
O.M.B.--Attn: Steve Williams
Assoc. General Contractors
Attn: John F. Cool
Project Engineers

SEATTLE ENG DEPT
FEB 8 8 19 AM '79

CITY OF SEATTLE

BOARD OF PUBLIC WORKS

SUPPLEMENT TO APWA STANDARD SPECIFICATIONS

The Board of Public Works, in regular session January 31, 1979, concurred in the recommendation that the following Supplement to the APWA Standard Specifications - 10th Edition be approved:

1. Section 2-1.05 - Qualification of Bidders, amend entire Section as follows:

   The Owner will evaluate all bids submitted, to determine lowest and best bid. Bidder must be qualified by experience, financing and equipment to do the work called for in the plans and specifications. Upon request of the Owner, a bidder whose bid is under consideration for award of a contract shall submit promptly to the Owner satisfactory evidence of qualifications, financial resources, construction experience and organization available for performance of the proposed contract. A "Pre-Award Bidder Information Statement" form will be bound in the specifications for that purpose.

   Bidder shall furnish upon forms included for that purpose within the bid specifications, a statement of his/her capability to perform or provide the Owner with an acceptable Affirmative Action for Equal Employment Opportunity and/or Utilization of Minority and Women's Business Enterprises, and shall submit same along with bid proposal.

II. Section 2-1.06 - Disqualification of Bidders - add (k) through (p) to (a) through (j) listed in APWA Standard Specifications:

   (k) For any reason deemed proper, as determined from a pre-award evaluation of bidder's affirmative action record and capabilities regarding Equal Employment Opportunity and/or Utilization of Minority and Women's Business Enterprises.

   (l) Failure of a bidder, upon request of the Owner to submit a "Pre-Award Bidder Information Statement," as required in the specifications.

   (m) If the Owner's evaluation of "Pre-Award Bidder Information Statement" results in bidder being declared nonresponsible.

   (n) If the Owner's evaluation of bidder's proposed material/equipment and installed cost thereof results in the bidder's proposal being nonresponsible.

   (o) Failure of a bidder to meet requirements of the specifications.

(p) The Owner reserves the right to reject any and all bids.

III. Section 3-1.01 - Award of Contract

The award of contract, if it be awarded, shall be made within thirty (30) calendar days after the date of opening of bids, to the lowest and best bidder deemed responsible by the Owner. The successful bidder will be notified by letter mailed to the address shown on his/her proposal that the bid has been accepted and that he/she has been awarded the contract.

****

SUMMARY: As a general rule, a public works improvement contract, except those of the Lighting Department (by State Law), will continue to be bid without prequalification of bidders, and the Board of Public Works and its member departments will use the above criteria adopted for evaluating lowest and best bidder.

If the low bidder is found nonresponsible by the Administering Department, the Department will go to the next low bidder and so on until a responsible bidder is found. This will result in the lowest and best bid. Administering Departments should document the reasons for a bidder being declared nonresponsible and their recommendation for award letter to the Board of Public Works shall contain such information.

The City Attorney's Office stated in an opinion that judicial precedent defines "lowest and best" to mean the lowest bidder who at least minimally qualifies to perform the work contracted for.

The Board ruled that the option to prequalify remains, however. The attached minimum prequalification procedures and minimum questionnaire for determining qualification prior to bidding will be used on a case-by-case basis as determined by the Administering Department head involved. All advertisements in these cases will contain the following wording, "Bids will be received only from contractors who have been prequalified."

CITY OF SEATTLE

BOARD OF PUBLIC WORKS BID PROCEDURES AND CONDITIONS FOR PREQUALIFICATION OF BIDDERS

Before being furnished a bid proposal on any contract which requires prequalification of bidders, a prospective bidder shall submit to the City a standard form of questionnaire and financial statement, including a complete statement of financial ability and experience of such bidder in performing City public work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgement of deeds.

A prospective bidder who has not been qualified or from whom a supplemental questionnaire is due, may not be considered eligible for bidding unless such bidder has submitted his/her prequalification questionnaire and financial statement, or supplements thereof, at least ten calendar days before the date fixed for opening bids on the contract on which such bidder desires to bid.

If two or more prospective bidders desire to prequalify and bid jointly as a joint venture on a single contract, each must have filed a questionnaire and financial statement and they must also file an agreement to joint venture such contract. If two or more prospective bidders desire to bid to jointly qualify and bid jointly as a joint venture on more than one contract, they must submit a joint questionnaire and financial statement and also an agreement to joint venture stating the number and types of contracts which they expect to joint venture. Any agreement to joint venture required to be filed hereunder shall be signed by each of the bidders. If any of the bidders is a corporation, the agreement must be accompanied by a resolution of the corporation authorizing such joint venture agreement and designating the officer who is authorized to sign such joint venture agreement or contract on behalf of such corporation.

If the City is not satisfied with the sufficiency of the answers contained in the bidder's questionnaire and financial statement, it will refuse to accept any bid proposal of such bidder. Bidders will be notified in a timely manner of their qualification standing. City departments in charge of evaluating and determining qualification of bidders shall submit lists to the City Board of Public Works of prequalified bidders on projects, to be in the hands of the Executive Secretary of the Board not less than three (3) days prior to scheduled bid opening dates.

Prequalification shall not bar the City upon the opening of bids on any contract from determining that any bidder is not a responsible bidder insofar as performance of such contract is concerned.

BY ORDER OF THE BOARD OF PUBLIC WORKS in regular session January 31, 1979.

Betty L. McFarlane,
Exec. Secretary, BPW

CITY OF SEATTLE-DEPARTMENT OF _____

NOTICE TO PROSPECTIVE BIDDERS

for

_____
Type of Work

TO: _____
Firm Name

_____
Address

NOTICE IS HEREBY GIVEN to you that your application for designation as a prequalified bidder, for the performance of _____ for CITY OF SEATTLE, DEPARTMENT OF _____, has been reviewed and such designation is hereby approved/refused, as shown on attached sheet.

This prequalification form shall not be used for qualification purposes on other than City of Seattle Department of _____ work. This prequalification expires _____, 19___.

CITY OF SEATTLE, DEPARTMENT OF _____

BY _____
Title

CITY OF SEATTLE, DEPARTMENT OF _____

APPLICATION FOR CONTRACTOR PREQUALIFICATION

Contractors wishing to make application to the City of Seattle, Department of _____, for the designation as a prequalified bidder for _____, shall complete the following questionnaire and submit the information requested:

1. Name of applicant _____
2. Address of applicant _____ Zip _____
3. Telephone number of applicant (___) - _____
4. If applicant is a corporation, state:
   a. State of Incorporation _____
   b. Whether the corporation has paid all current license fees to the State of Washington.

      _____
   c. Name and address of registered agent _____

      _____
   d. Names and addresses of officers of the corporation and their length of time with the corporation. Indicate by an * those authorized to sign contracts.

      _____

      _____

      _____

      _____

      _____

      _____
   e. Number of years corporation has been in business _____
5. If applicant is a partnership, state:
   a. Name and address of all partners _____

      _____

      _____

b. Length of time partnership has been in business_____

6. If applicant is a sole proprietorship, how long have you been in business?

_____

7. Number of years applicant has performed the type of work for which he/she is bidding_____

8. Indicate on the attached forms the classes of work for which you are seeking prequalification, for electrical or general construction work_____

_____

9. Attach a general resume setting forth applicant's experience, technical qualifications and organizational ability to perform the proposed construction.

10. Attach a list of your supervisory personnel and their qualifications and years of experience, list the number and type of craftsmen available.

11. Attach a list of equipment available for work showing the age and location of the equipment.

12. Have any of the projects you have undertaken in the past five years resulted in partial or final settlement of contract by arbitration or litigation in the courts? Yes_____ No_____ .

If yes, list names of clients and projects.

Client	Project

13. List name of bonding company, and name, address and telephone number of agent.

_____

_____

14. What is the maximum amount of work, expressed in dollars, which you consider you are capable of undertaking in terms of surety bonding capability?

    a. Single project: $_____

    b. All projects in progress simultaneously: $_____

15. Set forth the name, address and telephone number of applicant's bank, including the branch and officer of the bank to be contacted for financial reference. _____

16. Attach your most recent fiscal year's balance sheet.

17. Set forth the names and addresses of three (3) clients for whom you have done similar work on which you are bidding, who will act as references:

18. Attach a list of clients served over the last three (3) years including their names, addresses, location of the jobs performed, and the amounts of the larger contracts, (if any work performed as a subcontractor, list name of contracting agency and prime contractor).

19. Attach copy of registration or other evidence that applicant is a Washington State registered contractor under the provisions of R.C.W. 18.27 .

20. Affirm that applicant will pay wages and benefits for craftsmen employed on work which prevails in the locality of the work as determined by the State of Washington, Department of Labor and Industries.

21. Affirm that applicant will comply with all city, state and federal government regulations regarding non-discrimination of employment practices; that applicant will take affirmative action as required by applicable regulation to assure equal employment opportunity in all aspects of employment irrespective of race, color, sex, age, creed or national origin.

_____

_____

_____

_____

The undersigned, being duly sworn, deposes and says that the foregoing is a true statement of facts concerning the individual, corporation, co-partnership or joint venture herein named, as of the date indicated; (that the financial condition of said firm has not decreased since the submission of the Standard Questionnaire and Financial Statement now on file in the offices of the City of Seattle)*; that the answers to the foregoing interrogatories are true; that this statement is for the express purpose of inducing the City of Seattle to award the said firm or individual a contract; and that any depository, vendor or other agency named in the aforementioned Standard Questionnaire and Financial Statement is hereby authorized to supply the City of Seattle or its agent with any information necessary to verify this statement.

*The portion in parenthesis would be inserted only if contractors would be prequalified for certain projects over a period of time.

SUBMITTED this _____ day of _____, 197____

_____
Name of Applicant

_____
Title

Attachment: Affidavit

STATE OF WASHINGTON)
) ss.
County of)

On this _____day of _____, 19_____, before me, the under signed, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____and _____, to me known to be the _____ _____and_____, respectively of _____the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and the oath stated that, _____ _____authorized to execute the said instrument, and that the statements contained in said instrument and in the attachments thereto are true and correct to the best of _____ knowledge.

Witness my hand and official seal hereto affixed the day and year first above written.

_____
Notary Public in and for the State of Washington, residing at:_____

STATE OF WASHINGTON)
) ss.
County of)

On this _____day of _____,19_____, before me,_____ the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared before me_____ and _____, to me known to be the individual _____ described in and who executed the within instrument, and acknowledged that _____ signed the same as _____ free and voluntary act and deed, for the uses and purposes therein mentioned, and on oath stated that _____ authorized to execute said instrument and that the statements contained in said instrument and in the attachments thereto are true and correct to the best of _____ knowledge.

WITNESS my hand and official seal hereto affixed the day and year first above written.

_____
Notary Public in and for the State of Washington, residing at:_____

BOARD OF PUBLIC WORKS
PRE-AWARD BIDDER INFORMATION

1. Bidder has been in business continuously from _____ (Year).

2. Bidder has had experience in work comparable with that required under the proposed contract:

   as a prime contractor, for _____ years

   as a subcontractor, for _____ years

3. Following is a partial list of the work the Bidder has completed in the last five years which is similar in character and in magnitude to that required in the proposed contract:

Year	Owner	Location	Contract Amount

4. Furnish references for information concerning the work listed above:

Name	Title	Address

5. List the supervisory personnel to be employed by the bidder and available for work on this project (project manager, principal foreman, superintendents and engineers):

Name	Title	Years of Experience

6. Furnish a detailed resume of the qualifications, previous employers and experience of the Project Manager proposed to be assigned to this project:

7. Furnish a list of equipment owned which is available for use on the proposed work as required:

Type of Equipment	Size or Capacity	Present Location

8. The following subcontractors are proposed to be employed for portions of the construction:

Name	Address	Construction	Percent of Total Construction

9. List all projects undertaken in the last five years which have resulted in partial or final settlement of the contract by arbitration or litigation in the courts:

Name of Client and Project	Contract Amount	Total Claims Arbitrated or Litigated	Amount of Settlement of Claims

10. Enclose a copy of Bidder's last yearly financial statement or balance sheet showing assets, liabilities, and net worth. List bank or banks for reference for financial responsibility of the Bidder:

Name of Bank	Address

DPW

PAUL A. WIATRAK, DIR. OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT

M E M O R A N D U M

February 1, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Submittal of Agenda Items

Be advised, the month of February holds two holidays for City employees, consequently, Board submittal dates for agenda items will be 5:00 p.m. Friday, February 9 for the Board meeting of February 14 and 5:00 p.m. Friday, February 16, for the Board meeting February 21, 1979.

Your cooperation is appreciated.

BLM:jrn

cc: Doug Howell/John Skonmesa/Leonard Clark, Engineering
Don Harris/Ed Engel/Evelyn Larson, Parks
John Hansen, Lighting
Bill Rashkov, Water
Bob Snyder, Buildings
Roberta Standifer/Willie Winston, Human Rights

SEATTLE ENG DEPT
FEB 2 7 00 AM '79

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BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Your
Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Determining Lowest and Best Bidder

January 25, 1979

Mr. John F. Cool
Director of Public Affairs
The Associated General Contractors of America, Inc.
Seattle Chapter
1200 Westlake Avenue North, Suite 301
Seattle, Washington 98109

Dear Mr. Cool:

As you are aware, the Board of Public Works had before it in regular session January 3, 1979, a proposed supplement to the APWA Standard Specifications, 10th Edition, incorporating previously Board approved recommendations from departments addressing a Charter amendment requiring award to the lowest and best bidder.

At the Board's session they discussed the matter with you and held action to allow you one week to submit more specific wording regarding your concerns with the draft. Three weeks have elapsed and we have not received a written communication from you to date. The Board has requested that this very important item be placed on its agenda January 31, 1979 at 10:15 a.m. for final action. If no further word is received from you, it will be assumed that you have no objections.

Yours truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

cc: All Board Members

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SEATTLE ENG DEPT
JAN 26 10 26 AM '79

BPW

Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Plans and Specifications Routing Sheet

January 24, 1979

Mr. Paul A. Wiatrak
Director of Engineering
City of Seattle

Dear Mr. Wiatrak:

Yesterday your department requested my approval of a deviation from the Board's approved circulation sheet for Plans and Specifications. I have reviewed the form submitted with the Building Department and request that you use the Board's previously approved format.

Circulation under the proposed variation resulted in bypassing the grading permit people and therefore does not assure, even though the Superintendent of Buildings has signed the routing sheet, that the grading review has been made.

To correct this problem the Board's form, which is attached, should be used in each routing case.

Yours truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

cc: Art Maronek, Engineering Dept.
Doug Howell, Engineering Dept.
All Board Members
Att.

ROUTING	DATE	INITIAL
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SEATTLE ENG DEPT
JAN 26 7 37 AM '79

E-130

Plans only_____
Specs. only_____
Plans & Specs. X

SEATTLE ENGINEERING DEPARTMENT

FOR BOARD OF PUBLIC WORKS APPROVAL ON _____

CIRCULATION SHEET TO ACCOMPANY PLANS AND SPECIFICATIONS

Comments of the members of the Board of Public Works composing the standing committee on the attached Plans and Specifications for _____

by _____

_____ Drawing No. _____

Department	Reviewed By	Department Head	Date	Comments
City Engineer				
Supt. of Water				
Supt. of Light				
Supt. of Parks and Recreation				
Supt. of Bldgs.				
Dept. of Human Rights				
Board of Public Works				

In making comments please use the terms "Approved," "Opposed," and "Letter." If the word "Letter" is written, it signifies that the member is submitting a letter on the matter, and the letter should be attached.

Plans and Specifications Reviewed and Approved for BPW circulation.

Pre-Construction Project Engineer _____ Date _____

Construction Project Engineer _____ Date _____

Operations District Supervisor _____ Date _____

GRADING APPROVAL

[ ] Grading Not Involved

[ ] Grading Exempt per Ordinance (Section 7, Exemption No. _____)

[ ] Grading Exempt per Supt's Ruling No. _____

[ ] Grading Review per Supt's Ruling No. 21-76

[ ] Grading Permit Issued/Pending (Copy Attached)

[ ] Project Located Outside City

Building Dept. Concurrence

BPW

Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Engineering Department Forms

January 18, 1979

Mr. Paul A. Wiatrak
Director of Engineering
City of Seattle

Dear Mr. Wiatrak:

For many years some of the Engineering Department's printed forms, such as the Street Use Permit, have referred to your department as the "Department of Public Works." This is somewhat confusing to people when they are directed to or looking for the Board of Public Works Department.

The Ordinance recently passed by the City Council establishes a Department of Engineering. It is my opinion therefore that any new forms should not refer to the Department of Public Works, but to the Department of Engineering.

We would appreciate this change to assure that the public and others are not misdirected or confused in this regard. Thank you.

Yours truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

cc: All Board Members

Copy: City Engring. Dept

ROUTING	DATE	INITIAL
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SEATTLE ENG DEPT
JAN 22 7 27 AM '79

BPW

1/19

Director of Engineering

January 19, 1979

Honorable Board of Public Works
City of Seattle
Seattle, Washington

Gentlemen:

In response to your January 15, 1979 request to designate alternates to the Board of Public Works, please be advised that E. M. Whiting, Assistant City Engineer for Administration will continue to act as my alternate in case of my absence from the Board. In addition thereto, I would like to name as my second alternate, A. E. Maronek, Assistant City Engineer for Engineering.

Sincerely,

Sgd Paul A. Wiatrak
PAUL A. WIATRAK, P.E.
Director of Engineering

EAW:clb
cc - A. E. Maronek
L. H. Taniguchi

Information

Correspondence Routed to

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

Re: Construction Costs

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 1/18/79
(date)

All BPW Members
(referred to)

Blm
(referred by)

____Please prepare reply for the Executive Secretary's signature on office stationery.

____Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

X ____Forwarded for your investigation, report, and recommendation.

____Forwarded for your information and files.

____Other: _____

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PAW		
		LFC

*Action requested no later than Please Rush
(date)

SEATTLE ENG DEPT
JAN 22 7 30 AM '79

Your City, Seattle

Executive Department-Office of Management and Budget

MEMORANDUM January 4, 1979

RECEIVED
JAN 19 2 20 PM '79
SECRETARY
BOARD OF PUBLIC WORKS

To: Paul Wiatrak, Chairman, Board of Public Works
Attn.: Betty Mc Farlane, Executive Secretary

From: Casey Jones, Budget Director

Subject: Construction Costs

As you know, construction costs appear to be climbing at an unreasonable rate. This has a substantial impact on the City.

I believe that the City should try to reduce the rate of increase by administrative action. Such actions might include letting bids at slow contruction seasons, packaging of projects to increase the number of potential bidders, addition of incentive clauses and a variety of other things. I don't think the Board of Public Works has formally considered ways to reduce costs, although I'm sure each department has tried to do so. I'd like to ask the Board to develop some guidelines in this area. If your recommendations include requests for Executive or Legislative actions, rest assured that this office will sympathetically review your recommendations and strongly support them where possible.

I know my request is somewhat general and possibly nebulous. But I'm relying on the Board, the City's construction professionals, to come up with some ideas to help the City cut costs.

CJ:SW:wh

cc: Mayor Royer
BPW Members

U.S. Department of Transportation
news:
Office of Public and Consumer Affairs
Washington, D.C. 20590

RECEIVED
DEC 4 1978
OFFICE OF MANAGEMENT
& BUDGET

FOR IMMEDIATE RELEASE
Monday, November 27, 1978

FHWA 78-78
Contact: Jim Jenkins
Tel.: 202-426-0644

HIGHWAY AGENCY FIGHTS SOARING CONSTRUCTION COSTS

Following Secretary of Transportation Brock Adams' announcement of a vigorous anti-inflation fight against escalating highway construction costs, Federal Highway Administrator Karl S. Bowers called in state highway department officials and leaders of the highway construction industry to discuss efforts to slow down the rate of cost increases.

Bowers explained to the state government and industry representatives the Federal Highway Administration's current plans and efforts and asked for their advice and support.

Bowers told the group the latest FHWA figures show that highway construction costs during the third quarter of 1978 had risen an exorbitant 14.7 percent over the previous 3 months, and that FHWA was determined to work closely with state and industry highway interests to get this problem under control.

"We don't believe that inflation is responsible for all of the price increases," Bowers said, "And we intend to redouble our efforts to reduce the many kinds of costs that can't be blamed on inflation."

(more)

According to Bowers, last week's meeting was significant in at least two ways--the group assured him of their strong approval and support and they also contributed substantive suggestions of ways FHWA can wage its cost-cutting campaign even more effectively.

Two of these suggestions have already been incorporated in the FHWA effort. In response to the first recommendation, Bowers has established new policies which will permit little or no retainage of contractor progress payments if construction work is proceeding on schedule. Bowers acted on the second suggestion by adopting new policies that will further encourage contractor organizations and labor unions to follow the President's voluntary wage-price guidelines when negotiating their new labor agreements.

These latest elements augment the overall plan of the cost-cutting campaign announced by Secretary Adams last week. Highlights of the overall plan are:

- Liberal policies which will encourage quick progress payments to contractors and pay for materials stockpiled both on and off construction sites, thus reducing contractors' needs to borrow

- Policies for granting more realistic time extensions when temporary material shortages occur at no fault of the contractor

- Contract incentive clauses where appropriate to take advantage of contractor initiative and innovations to reduce costs

- Mechanisms to encourage states to incorporate voluntary wage-price guidelines into their highway construction programs in further support of the President's anti-inflation efforts

- Limits to size and duration of contracts where possible to allow completion of a project within one construction season by "staging" or "phasing" large projects or by letting smaller projects

- Provisions for increasing the use of alternate designs to provide more flexibility to contractors and ensure the lowest cost method is used for construction

- Scheduling of advertising periods and project lettings so as to attract the most competition available

(more)

"In view of the fact that contractors sometimes have difficulty in obtaining long-term quotes for materials and supplies, we are asking our FHWA field office people to consider including price adjustment or actual-cost provisions in new large contracts whenever they think this might be a problem," said Bowers. "We're also asking them to take a very close look at any potential cost benefits that might be derived from the use of recycled materials.

Beyond this," Bowers concluded at last week's meeting, "We shall continue to look for new and better ways to battle this cost escalation problem in highway construction, and we will certainly welcome the suggestions of everyone involved in the highway industry."

# # # #

BPW)

Re: Pub. Wks. Estimates Flow Chart

Board of Public Works
Office of the Executive Secretary

Betty L. McFarlane, Executive Secretary

DEPARTMENTAL ROUTING SLIP 1-12-79
(date)

Reid Baer - Eng. Rm. 906
(referred to)

ROUTING	DATE	INITIAL
ACTION		
AEM/LFC		
FILE	✓	
INFORMATION		
PaW		

BLm
(referred by)

Please prepare reply for the Executive Secretary's signature on office stationery.

Please reply to the attached letter for the Executive Secretary showing a copy to the Executive Secretary.

____Forwarded for your investigation, report, and recommendation.

____Forwarded for your information and files.

X Other: I have made some suggested amendments to the attached. Perhaps you could indicate, also, the time for review by all concerned so that you know how many days are inv. from begin. to end.

*Action requested no later than _____
(date)

SEATTLE ENG DEPT
JAN 15 1979
AM PM 13

CSSZ-11

MEMORANDUM

RECEIVED
JAN 12 9 43 AM '79
SECRETARY
BOARD OF PUBLIC WORKS

To BOARD OF PUBLIC WORKS

By Reid Baer - Engineering, Rm. 906 Date January 11 19 79

Subject

The W.S.D.O.T. Certification Committee is requesting a flow chart of "procedure and process" used in paying a contractor from initiation of an estimate to actual payment.

Below is a rough draft of process. Please concur or make changes as necessary.

Review time:

PAYMENT TO CONTRACTOR

1. Construction (Field)
   Field Engineer Originates Estimate

2. Construction Office
   Review & initials Estimate

3. Contract Payments
   Check Estimate
   Have Estimate Typed

4. Construction Division
   Check Estimate
   Sign Estimate by: Principal Construction Engineer
   Asst. City Engineer
   Director of Engineering

1-2 days

5. Board of Public Works
   Log Estimate and Checks (ATTESTS TO SIGNATURES ON EST. AND CHECKS FOR APPROP. RETAINAGE, PAYROLLS, ETC.)
   Sign by Exec. Secretary, BPW.

6. Contract Payments
   Check Signatures
   Attach Invoices (if any)

7. Accounting
   Vouchering & cost Accounting

8. Budget Control
   Check Finances

9. Comptrollers
   Check Labor Liens, STATE LAW REQUIREMENTS (CERT. OF WAGE RATES PAID, VERIF. OF PMT. INDUSTRIAL INS. AND MED. AID PREM.)
   Check Intent to Pay
   Prepare Warrant to Contractor
   RELEASE RETAINAGE 30 DAYS AFTER COMPLETION AND ACCEPTANCE BY BPW IF ALL ABOVE IS APPROVED.

BPW
1/11

Board of Public Works
Betty McFarlane, Executive Secretary

K. T. Jones ✓ January 10 79

Public Works Contract Administration Charges

We have just received your notice of rate increase from $5.50 to $7.00 per day for Board of Public Works charges.

However, we wish to remind you that we have not received any billings for said charges for approximately 6 months, or longer, on jobs accepted in 1978.

Please be advised that jobs are being closed out about 3 to 4 months after acceptance, and we may not be able to pay late billings.

SD:hln

Information

Concurrence
Prior to
Signature

EMW

BPW

1/10

January 9, 1979

Re: Construction Contracts, Final Inspection
and Close Out Procedures

Honorable Board of Public Works
Seattle, Washington

x Liquidated Damages

Gentlemen:

Considerable delay has been experienced in the close out of some construction contracts, including release of retention monies. Generally, the primary cause for a delay is due to tardiness in completion of construction by the contractor. However, in some instances, tardiness in action or lack of coordination in action on the part of the City, has contributed to the delay. When this happens, it is very difficult to strictly enforce the liquidated damage provisions of the contract. It is, therefore, essential that all actions required of the City be uniformly executed in a timely manner, and that all contract provisions be uniformly enforced.

Of prime concern is the need to expeditiously provide the contractor with a complete and coordinated punch list of all items of work needing completion and/or correction as noted during the final inspection. Discussion held with several contractors, indicates that many deliberately withhold the action on punch list work items because they have often received several such lists (from different departments and divisions) over a period of time spanning several months after final inspection. The lists have also been overlapping and contradictory. Under these circumstances, it is very difficult to strictly enforce liquidated damages due to contractor caused delay, because City caused delay provides the contractor grounds for dispute. In providing a complete punch list in a timely manner, that is final, will place the burden on the contractor for effecting completion. This will allow more strict and uniform application of the contract requirements, and should ultimately provide for more timely completion of construction.

Also of concern, is the fact that retainage is sometimes withheld considerably past the 30-day waiting period. When this happens, it is usually due to work items deemed incomplete or

unacceptable to another division or department involved in the project. In November of 1978, there were several contracts which had been accepted as complete, but which had release of retainage monies withheld for up to 9 months. Under these circumstances, the City could be liable for damages claimed by the contractor since state law requires release of retainage monies 30 days after final acceptance providing the required releases have been approved and no liens have been filed. At present, withholding of retainage by another department or division is not usually known to the Constructima Division until the complaint is lodged by the contractor.

In order to minimize any owner caused delay, and to provide for a more expeditious completion of construction on all projects, it is necessary to more accurately define final inspection and close out procedures. The Construction Division wishes to implement a program that will::

1. Coordinate the final inspection to involve all departments/divisions and all involved agencies into one review.

2. Coordinate all comments of punch list items into one combined list for submittal to the contractor.

3. Insure timely processing of the final punch list, with a formal submittal of the list to the contractor.

4. Coordinate the final checking of completion of punch list items to insure that all departments, divisions and agency requirements are met.

5. Provide a time limit for accomplishing each of items 1 through 4, including a limit of time for response from affected divisions/departments and agencies.

6. Assign responsibility for accomplishment of Items 1 through 5.

Information

Concurrence Prior to Signature

1-FC
AEM

Attached is a summary of the recommended basic procedures, entitled""Seattle Engineering Department Final Inspection and Close Out Procedures for Construction Contracts". These procedures establish the progressive steps, time frames and responsibilities necessary to expeditiously bring the contract to completion, and ultimately final acceptance. It is requested that the Board of Public Works approve these procedures for implementation by all the Department and Divisions affected. Prime responsibility for coordination and implementaion will remain that of the Construction Division.

Very truly yours
Signed Paul A. Wiatrak

PAUL A. WIATRAK
Director of Engineering

LFC:nml

SEATTLE ENGINEERING DEPARTMENT

Final Inspection & Closeout Procedures
for
Construction Contracts

1. The Construction Division is responsible for assuring that all work performed by a contractor, on a SED construction project, is satisfactorily completed in conformance with the contract requirements. Therefore, upon request from the contractor for final inspection, the project engineer must make sure that all work is complete, and of acceptable quality, to his satisfaction, before scheduling a formalized final inspection. The project engineer may wish to provide an unofficial pencil check list for his and the contractor's convenience in identifying specific items he has noted in need of completion and/or correction. This check list must not be construed to be the formal punch list.

2. When the Project Engineer is satisfied that the project is complete, to the best of his knowledge, he will set up the official final inspection. The final inspection will be coordinated with all other affected departments, divisions and agencies as applicable: Operations, Traffic & Transportation, Sewer Utilities, Water, Engineering Design, Lighting, Citizen Groups, Contractor, and controlling federal agencies. A written notification will be prepared by the Construction Project Engineer, stating that construction of the referenced project is complete and ready for final inspection. The written notification will be sent to the affected departments/divisions/agencies. Each concerned department/division/agency must make their inspection and return their comments regarding noted corrections and/or deficiencies, in writing, no later than 10 working days after the date of notification. This is mandatory if their comments are to be considered, and included in the final punch list for the contract. The project construction engineer will coordinate with the affected agencies, as applicable, so that the walk-through for final inspection can be done at one time, as far as practicable.

3. The construction project engineer will combine all comments into one common punch list. The punch list is to be sent to the contractor with a cover letter stating that the items must be satisfactorily completed and/or corrected before recommendation for final acceptance can be made to the Board of Public Works. Copies of the punch list, together with a copy and cover letter, will be sent to all concerned departments/divisions/agencies. The cover letter will include the statement that the contractor is to notify the Construction Division in writing when all items are completed so that a final check can be made by the project engineer.

4. After the completion of all punch list items, and the project engineer is satisfied that these are completed, a written notice is again to be sent to all departments, divisions and agencies that all items are complete, and that if no objections are received from them within ten working days, a recommendation for final acceptance will be made to the Board of Public Works.

5. Make recommendation for final acceptance to the Board of Public Works, providing any participating federal agencies involved in the project have given their prior concurrence.

6. No sooner than 30 days after the Board of Public Works acceptance, release retainage monies, providing no liens have been placed against the project, and provided that proper releases have been received from the State Tax Commission and the Depa tment of Labor and Industries. Retainage monies cannot be withheld beyond the 30-day period, providing all requirements have been met.

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
MEMORANDUM

1 xOrdbk

January 8, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary

Re: Public Works Contract Administration Charges

Effective January 1, 1979, the Board office's charges for administration are increased from $5.50 to $7.00 per day from the date of execution to date of acceptance of the work, as to each and every public works contract, administered by the Board of Public Works with the exeeption of consultant services, other service contracts and tree or plant establishment portions of landscaping contracts. Attached is Ordinance 107832 authorizing these charges.

Attachment

BLM:jrn

cc: Ed Engel/Evelyn Larson, Parks and Recreation
Doug Howell/Sid Deguchi/Leonard Clark, Engineering
Bob Snyder/Ken Nishimura, Buildings
Bill Rashkov/Vern Carter, Water
John Hansen/Mike Bracken, City Light

SEATTLE E/S DEPT
JAN 9 9 49 AM '79

ROUTING	DATE	INITIAL
ACTION		
		✓
INFORMATION		

Paid
AEM/DJH
EMW/KTJ/SD
LFC

SRS:vf
10/6/78

ORDINANCE 107832

AN ORDINANCE amending Section 1 of Ordinance 99492 to increase contract administration charges of the Board of Public Works as of January 1, 1979.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. As of January 1, 1979, Section 1 of Ordinance 99492 as last amended by Ordinance 106002 is further amended to read as follows:

Section 1. ((~~That~~)) There is hereby imposed a charge of ((~~Five and 50/100 Dollars ($5.50)~~)) Seven Dollars ($7.00) per day from date of execution to date of acceptance of the work as to each and every public works contract administered by the Board of Public Works with the exception of contracts for consulting services, other service contracts, and tree or plant establishment portions of landscaping contracts. Such charge shall be computed by the Secretary of the Board of Public Works and billed to the department or fund for which such contract is administered, and receipts therefrom shall be deposited in the General Fund.

CB 10.8

(To be used for all Ordinances except Emergency.)

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 1 day of December, 1978

and signed by me in open session in authentication of its passage this 1 day of December, 1978

John Miller
President of the City Council.

Approved by me this 7 day of December, 1978

Charles Kemp
Mayor.

Filed by me this 7 day of December, 1978

Attest: Ed Klein
City Comptroller and City Clerk.

(SEAL)

Published .....

By Wayne O'Meara
Deputy Clerk.

CCS 8.1.0

BOARD OF PUBLIC WORKS — 1979

CALENDAR BASED ON WORKING DAYS - 1979

JANUARY - 22

	X	1	2	3	4	6
7	5	6	7	8	9	13
14	10	11	12	13	14	20
21	15	16	17	18	19	27
28	20	21	22			

FEBRUARY - 18

			23	24		3
4	25	26	27	28	29	10
11	X	30	31	32	33	17
18	X	34	35	36	37	24
25	38	39	40			

MARCH - 22

			41	42		3
4	43	44	45	46	47	10
11	48	49	50	51	52	17
18	53	54	55	56	57	24
25	58	59	60	61	62	31

APRIL - 21

1	63	64	65	66	67	7
8	68	69	70	71	72	14
15	73	74	75	76	77	21
22	78	79	80	81	82	28
29	83					

MAY - 22

		84	85	86	87	5
6	88	89	90	91	92	12
13	93	94	95	96	97	19
20	98	99	100	101	102	26
27	X	103	104	105		

JUNE - 21

					106	2
3	107	108	109	110	111	9
10	112	113	114	115	116	16
17	117	118	119	120	121	23
24	122	123	124	125	126	30

JULY - 21

1	127	128	X	129	130	7
8	131	132	133	134	135	14
15	136	137	138	139	140	21
22	141	142	143	144	145	28
29	146	147				

AUGUST - 23

			148	149	150	4
5	151	152	153	154	155	11
12	156	157	158	159	160	18
19	161	162	163	164	165	25
26	166	167	168	169	170	

SEPTEMBER - 19

						1
2	X	171	172	173	174	8
9	175	176	177	178	179	15
16	180	181	182	183	184	22
23	185	186	187	188	189	29
30						

OCTOBER - 23

	190	191	192	193	194	6
7	195	196	197	198	199	13
14	200	201	202	203	204	20
21	205	206	207	208	209	27
28	210	211	212			

NOVEMBER - 19

			213	214		3
4	215	216	217	218	219	10
11	X	220	221	222	223	17
18	224	225	226	X	X	24
25	227	228	229	230	231	

DECEMBER - 20

						1
2	232	233	234	235	236	8
9	237	238	239	240	241	15
16	242	243	244	245	246	22
23	247	X	248	249	250	29
30	251					

BPW

Seattle
Board of Public Works

Betty L. McFarlane, Executive Secretary
Charles Royer, Mayor

Re: Updating Forms

January 4, 1979

Mr. Paul A. Wiatrak
Director of Engineering
City of Seattle

Dear Mr. Wiatrak:

When you change forms used by the Engineering Department to reflect your new title, please also include my title of Executive Secretary. Some of the forms used by your Department which apply to the Board of Public Works now read Secretary. Thank you.

Yours truly,

BOARD OF PUBLIC WORKS

Betty L. McFarlane

Betty L. McFarlane
Executive Secretary

BLM:wb

ROUTING	DATE	INITIAL
ACTION		
FILE	✓	
INFORMATION		
Paw		
	H Staff	

SEATTLE ENG DEPT
JAN 8 10 16 AM '79

Board of Public Works Department, 303 Municipal Building, Seattle, Washington 98104, (206) 625-2266
Board of Public Works: Paul A. Wiatrak, P.E., Chairman, City Engineer; Walter R. Hundley, Supt. of Parks and Recreation; Kenneth M. Lowthian, Supt. of Water; Gordon Vickery, Supt. of Lighting; William Justen, Acting Supt. of Buildings

BPW

PAUL A. WIATRAK, DIRECTOR OF ENGINEERING

THE CITY OF SEATTLE
BOARD OF PUBLIC WORKS
DEPARTMENT
MEMORANDUM

January 3, 1979

To: All Board of Public Works Members

From: Betty L. McFarlane, Executive Secretary BLM

Re: Documenting Contractors' Performance

Effective January 1, 1979 we must, by Charter requirement, award to the "lowest and best bidder." The history of each contractor must be carefully documented to allow assessment of future bids. This should be done routinely on each project--using a form letter to the Board indicating by an "X":

☐ Excellent ☐ Satisfactory

☐ Good

☐ Fair

☐ Poor

Reasons: _____

_____

_____

_____.

This should be ATTACHED TO communications you send to the Board of Public Works requesting acceptance of the project as completed.

If problems arise in the middle of a job, copies of letters you send to the contractor on the subject should be submitted to the Board for the contractor's performance file. When you evaluate bids, you may use documented poor performance, etc. as a basis for finding the contractor nonresponsible.

BLH/jw
cc: John Hansen, City Light
Bill Rashkov, Water Department
Doug Howell, Engineering Department
Leonard Clark, Engineering Department
Ed Engel, Park Department
Evelyn Larson, Park Department
Don Harris, Park Department
Bob Snyder, Building Department
Chuck Hennebry, Building Department

ROUTING	DATE	INITIAL
ACTION		
AE MN LFC		
FILE	✓	
INFORMATION		
PaW		
	DJH	

JAN 5 7 53 AM '79 SEATTLE ENG DEPT