

Ordinance No. 110009

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AN ORDINANCE amending Sections 3.14.810 and 3.14.814 of the Seattle Municipal Code (Sections 5 and 6 of Ordinance 102151) to provide for the use of life cycle cost in determining the lowest and best bidder for City procurement; providing for information upon energy prices; and directing preparation of a work plan.

June 30, 1981 Energy Do Pass as Engrossed

COMPTROLLER
FILE NUMBER _____

Council Bill No. 102381

ENGROSSED

INTRODUCED **JUN 29 1981** BY: **REVELLE**

REFERRED: **JUN 29 1981** TO: **ENERGY**

REFERRED:

REFERRED:

REPORTED: **JUL 13 1981**

SECOND READING: **JUL 13 1981**

THIRD READING:

SIGNED: **JUL 13 1981**

PRESENTED TO MAYOR: **JUL 14 1981**

APPROVED: **JUL 23 1981**

REFD. TO CITY CLERK: **JUL 23 1981**

PUBLISHED:

VETOED BY MAYOR:

VETO PUBLISHED:

PASSED OVER VETO:

VETO SUSTAINED:

CS 11.1


ORDINANCE 110009

1 AN ORDINANCE amending Sections 3.14.810 and 3.14.814 of the Seattle Muni-
2 cipal Code (Sections 5 and 6 of Ordinance 102151) to provide for the use
3 of life cycle cost in determining the lowest and best bidder for City procure-
ment; providing for information upon energy prices; and directing prepara-
tion of a work plan.

4 BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

5 Section 1. Section 3.14.810 of the Seattle Municipal Code (Section 5 of
6 Ordinance 102151, as last amended by Ordinance 105150) is further amended as
7 follows:

8 A. Except in emergencies provided for in this subchapter, all expenditures
9 for supplies, materials, equipment, and services within the purview of this sub-
10 chapter the estimated cost of which is in excess of Two Thousand Five Hundred
11 Dollars (\$2,500.00) per item shall be made on written contract entered into upon
the basis of competitive bids.

12 Notices inviting sealed competitive bids shall be published at least once
13 in the city official newspaper, and at least five calendar days must intervene
14 between the date of the last publication and the final date for submitting the
15 bids; provided, that purchases of patented or proprietary items available from
16 a single source, or purchases or contracts for services within the purview of
17 this subchapter where competitive bidding is deemed impracticable by the City
18 Purchasing Agent, shall be exempt from the competitive bidding requirements
19 of this section; provided further that purchase of supplies, materials, and equip-
20 ment which is to be resold by the using agency may be negotiated for by the
21 City Purchasing Agent when in his judgment the lowest and best price can be
obtained by such negotiation.

22 B. All such bids shall be submitted sealed to the City Purchasing Agent
23 and shall be accompanied by surety in such form and amount as shall be prescribed
24 by the City Purchasing Agent in the notice inviting bids.

25 C. The bids shall be opened in public at the time and place stated in the
26 notice inviting bids. No bids will be considered which arrive at the place of bid
27 opening at any time later than the time specified in the notice inviting bids.
28 After examination and tabulation by the City Purchasing Agent, all bids may
be inspected by the competing bidders. The City Purchasing Agent may reject

1 any or all bids, or part of bids, and shall state in writing and keep a record of
2 the reason or reasons for such rejection, which record shall be open to public
3 inspection. Otherwise the City Purchasing Agent shall award the contract to
4 the lowest and best bidder, or in the case of multiple awards to the lowest and
5 best bidders.

6 ~~((and-i))~~ In determining the lowest and best bidder, the City Purchasing
7 Agent may consider such factors, among others, as quality, delivery terms, and
8 service reputation of the vendor.

9 D. An Invitation to Bid may specify that life cycle costing will be used
10 either as the exclusive basis for evaluating bids or on an alternative basis. If
11 sufficient life cycle cost information is readily available, the Purchasing Agent
12 shall consider the life cycle cost in determining the lowest and best bid in accord-
13 ance with the Invitation to Bid. "Life cycle cost" means the total cost to the
14 City of the supplies, materials, or equipment procured over its estimated use-
15 ful life, including costs of selection, acquisition, operation, maintenance, and
16 where applicable, disposal as far as these costs can be reasonably determined,
17 minus the salvage value at the end of its estimated useful life. The "estimated
18 useful life" means the estimated time from the date of acquisition to the date
19 of replacement or disposal, determined in a reasonable manner.

20 ~~((D-))~~ E. When in the judgment of the City Purchasing Agent, bids require
21 further information and analysis for the purpose of determining the lowest and
22 best bidder, he may request that bidders provide pertinent information, and on
23 receipt thereof may negotiate with one or more bidders and award such contract
24 to the lowest and best bidder as determined by such negotiation.

25 ~~((E-))~~ F. When two or more low bids received are for the same total amount
26 or unit price, the City Purchasing Agent may allow such tied bidders to offer
27 a lower price or may make such purchase in the open market at a price not ex-
28 ceeding such bid price.

~~((F-))~~ G. The City Purchasing Agent may require before any contract
is executed, that the successful bidder furnish a performance bond in such amount
as the Purchasing Agent shall find reasonable and necessary, which requirement

1 shall be stated in the notice inviting bids. All surety bonds shall be approved
2 as to form by the City Attorney. If the successful bidder shall not within ten
3 days after the award enter into a contract and file any required surety, he shall
4 forfeit the surety which accompanied his bid. A copy of each contract covering
5 a term of three months or more together with any required surety for perform-
6 ance thereof, shall be filed with the City Comptroller.

7 Section 2. Section 3.14.814 of the Seattle Municipal Code (Section 6 of
8 Ordinance 102151) is amended as follows:

9 Section 6. All expenditures for supplies, materials, equipment, and services,
10 the estimated cost of which will not exceed Two Thousand Five Hundred Dollars
11 (\$2,500.00) per item may be made in the open market; provided, that to the ex-
12 tent possible the City Purchasing Agent shall endeavor to obtain from prospec-
13 tive vendors at least three competitive bids, and shall award such purchase to
14 the lowest and best bidder. The Purchasing Agent may in his discretion determine
15 the lowest and best bidder for expenditures under Two Thousand Five Hundred
16 Dollars (\$2,500) by the same criteria as used for larger purchases. When the
17 Invitation to Bid so specifies and if sufficient life cycle cost information is read-
18 ily available, the Purchasing Agent shall consider the life cycle cost in determin-
19 ing the lowest and best bidder in accordance with the Invitation to Bid.

20 Section 3. Upon request, the Energy Office in the Executive Department
21 shall supply the Purchasing Agent with information about energy prices.

22 Section 4. On or before September 14, 1981, the Mayor shall submit to the
23 City Council for approval two alternate plans and one-year schedules for imple-
24 menting life cycle costing in City procurement. The plans shall identify pro-
25 ducts or criteria for choosing products (a) for which life cycle costing shall be
26 used, (b) for which life cycle costing shall be used if sufficient life cycle cost
27 information is readily available, and (c) for which life cycle costing shall not
28 be used. The plans shall include a method for assessing life cycle costs; provi-
sions for gathering and supplying information necessary for carrying out the
plan; provisions for maintaining appropriate records; a recommendation on the
content, frequency and timing of reports on the performance of the life cycle

1 costing program; and for the year following the effective date of this ordinance,
2 they shall include provisions for training staff, and an estimate of the personnel
3 and appropriations needed by the Purchasing Agent and the City as a whole to
4 carry out the plan. One plan shall be consistent with the personnel and appro-
5 priations in the Mayor's proposed 1982 budget. The alternate plan shall be con-
6 sistent with the maximum economically justifiable use of life cycle costing in
7 City procurement. The plans shall be developed by the Purchasing Agent with
8 the advice and consultation of affected City departments. The plan, as approved
9 by the City Council, shall guide the Purchasing Agent in making City procurements.
10 The plan may be periodically revised, subject to City Council approval.

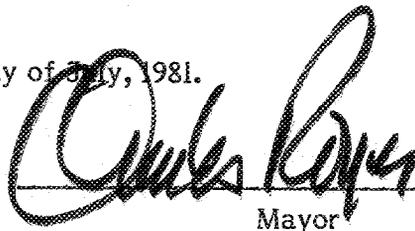
11 Section 5. This ordinance shall take effect and be in force thirty days
12 from and after its passage and approval, if approved by the Mayor; otherwise
13 it shall take effect at the time it shall become a law under the provisions of
14 the city charter.

15 Passed by the City Council the 13th day of July, 1981, and signed
16 by me in open session in authentication of its passage this 13th day of July, 1981.

17 

18 President Pro Tem of the City Council

19 Approved by me this 23rd day of July, 1981.

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21 Mayor

22 Filed by me this 23rd day of July, 1981.

23 ATTEST:

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25 City Comptroller and City Clerk

26 BY:

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28 Deputy Clerk

(SEAL)

Published _____

obsoleted

ORDINANCE _____

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AN ORDINANCE amending Sections 3.14.810 and 3.14.814 of the Seattle Municipal Code (Sections 5 and 6 of Ordinance 102151) to provide for the use of life cycle cost in determining the lowest and best bidder for City procurement; providing for information upon energy prices; and directing preparation of a work plan.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 3.14.810 of the Seattle Municipal Code (Section 5 of Ordinance 102151, as last amended by Ordinance 105150) is further amended as follows:

A. Except in emergencies provided for in this subchapter, all expenditures for supplies, materials, equipment, and services within the purview of this subchapter the estimated cost of which is in excess of Two Thousand Five Hundred Dollars (\$2,500.00) per item shall be made on written contract entered into upon the basis of competitive bids.

Notices inviting sealed competitive bids shall be published at least once in the city official newspaper, and at least five calendar days must intervene between the date of the last publication and the final date for submitting the bids; provided, that purchases of patented or proprietary items available from a single source, or purchases or contracts for services within the purview of this subchapter where competitive bidding is deemed impracticable by the City Purchasing Agent, shall be exempt from the competitive bidding requirements of this section; provided further that purchase of supplies, materials, and equipment which is to be resold by the using agency may be negotiated for by the City Purchasing Agent when in his judgment the lowest and best price can be obtained by such negotiation.

B. All such bids shall be submitted sealed to the City Purchasing Agent and shall be accompanied by surety in such form and amount as shall be prescribed by the City Purchasing Agent in the notice inviting bids.

C. 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. After examination and tabulation by the City Purchasing Agent, all bids may be inspected by the competing bidders. The City Purchasing Agent may reject any or all bids, or part of bids, and shall state in writing and keep a record of the reason or reasons for such rejection, which record shall be open to public inspection. Otherwise the

1 City Purchasing Agent shall award the contract to the lowest and best bidder, or
2 in the case of multiple awards to the lowest and best bidders.

3 ~~((and-i))~~ In determining the lowest and best bidder the City Purchasing Agent
4 may consider such factors, among others, as quality, delivery terms, and service
5 reputation of the vendor.

6 D. An Invitation to Bid may specify that life cycle costing will be used either
7 as the exclusive basis for evaluating bids or on an alternative basis. If sufficient
8 life cycle cost information is readily available, the Purchasing Agent shall consider
9 the life cycle cost on determining the lowest and best bid in accordance with the
10 Invitation to Bid. "Life cycle cost" means the total cost to the City of the sup-
11 plies, materials, or equipment procured over its estimated useful life, including
12 costs of selection, acquisition, operation, maintenance, and where applicable, dis-
13 posal as far as these costs can be reasonably determined, minus the salvage value
14 at the end of its estimated useful life. The "estimated useful life" means the esti-
15 mated time from the date of acquisition to the date of replacement or disposal,
16 determined in a reasonable manner.

17 ~~((D-))~~ E. When in the judgment of the City Purchasing Agent, bids require
18 further information and analysis for the purpose of determining the lowest and
19 best bidder, he may request that bidders provide pertinent information, and on
20 receipt thereof may negotiate with one or more bidders and award such contract
21 to the lowest and best bidder as determined by such negotiation.

22 ~~((E-))~~ F. When two or more low bids received are for the same total amount
23 or unit price, the City Purchasing Agent may allow such tied bidders to offer a
24 lower price, or may make such purchase in the open market at a price not exceeding
25 such bid price.

26 ~~((F-))~~ G. The City Purchasing Agent may require before any contract is
27 executed, that the successful bidder furnish a performance bond in such amount
28 as the Purchasing Agent shall find reasonable and necessary, which requirement
shall be stated in the notice inviting bids. All surety bonds shall be approved as
to form by the City Attorney. If the successful bidder shall not within ten days
after the award enter into a contract and file any required surety, he shall forfeit

1 the surety which accompanied his bid. A copy of each contract covering a term
2 of three months or more, together with any required surety for performance there-
3 of, shall be filed with the City Comptroller.

4 Section 2. Section 3.14.814 of the Seattle Municipal Code (Section 6 of Or-
5 dinance 102151) is amended as follows:

6 Section 6. All expenditures for supplies, materials, equipment, and services,
7 the estimated cost of which will not exceed Two Thousand Five Hundred Dollars
8 (\$2,500.00) per item may be made in the open market; provided, that to the extent
9 possible the City Purchasing Agent shall endeavor to obtain from prospective ven-
10 dors at least three competitive bids, and shall award such purchase to the lowest
11 and best bidder. The Purchasing Agent may in his discretion determine the lowest
12 and best bidder for expenditures under Two Thousand Five Hundred Dollars (\$2,500)
13 by the same criteria as used for larger purchases. When the Invitation to Bid so
14 specifies and if sufficient life cycle cost information is readily available, the Pur-
15 chasing Agent shall consider the life cycle cost on determining the lowest and best
16 bidder in accordance with the Invitation to Bid.

17 Section 3. The Energy Office in the Executive Department shall supply the
18 Purchasing Agent with information concerning energy prices upon request.

19 Section 4. On or before September 14, 1981, the Purchasing Agent shall submit
20 to the City Council for approval two alternate plans and one-year schedules for
21 implementing life cycle costing in City procurement. The plans shall identify pro-
22 ducts or criteria for choosing products a) for which life cycle costing shall be used,
23 b) for which life cycle costing shall be used if sufficient life cycle cost information
24 is readily available, and c) for which life cycle costing shall not be used; they shall
25 include a method for assessing life cycle costs, provisions for maintenance of ap-
26 propriate records, a recommendation on the content, frequency and timing of re-
27 ports on the performance of the life cycle costing program; and for the year follow-
28 ing the effective date of this ordinance, they shall include provisions for training
staff, gathering and supplying information necessary for carrying out the plan,
and an estimate of the personnel and appropriations needed by the Purchasing Agent
and the City as a whole to carry out the plan. One plan shall be consistent with

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the personnel and appropriations in the Mayor's recommended 1982 budget. The alternate plan shall be consistent with the maximum economically justifiable use of life cycle costing in City procurement. The plans shall be developed with the advice and consultation of affected City departments. The plan, as approved by the City Council, shall guide the Purchasing Agent in making City Procurement. The plan may be periodically revised, subject to City Council approval.

(To be used for all Ordinances except Emergency.)

Section 5 . 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 day of, 19 .. ,
and signed by me in open session in authentication of its passage this day of, 19 .. .

President of the City Council.

Approved by me this day of, 19 .. .

Mayor.

Filed by me this day of, 19 .. .

Attest:
City Comptroller and City Clerk.

(SEAL)

Published

By
Deputy Clerk.

Affidavit of Publication

STATE OF WASHINGTON KING COUNTY—SS.

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a
Ordinance No. 110009
.....

was published on July 27, 1981
.....
.....

[Signature]
.....
Subscribed and sworn to before me on

July 27, 1981
.....

[Signature]
.....
Notary Public for the State of Washington,
residing in Seattle.

ORDINANCE 118083

AN ORDINANCE amending Sections 3.14.810 and 3.14.815 of the Seattle Municipal Code (Sections 3 and 4 of Ordinance 102131) to provide for the use of life cycle cost in determining the lowest and best bidder for City procurements providing for information upon energy prices, and directing preparation of a work plan.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 3.14.810 of the Seattle Municipal Code (Section 3 of Ordinance 102131, as last amended by Ordinance 103130) is further amended as follows:

A. Except in emergencies provided for in this subchapter, all expenditures for supplies, materials, equipment, and services within the purview of this subchapter the estimated cost of which is in excess of Two Thousand Five Hundred Dollars (\$2,500.00) per item shall be made on written contract entered into upon the basis of competitive bids.

Notices inviting sealed competitive bids shall be published at least once in the city official newspaper, and at least five calendar days must intervene between the date of the last publication and the final date for submitting the bids; provided, that purchases of patented or proprietary items available from a single source, or purchases or contracts for services within the purview of this subchapter where competitive bidding is deemed impracticable by the City Purchasing Agent, shall be exempt from the competitive bidding requirements of this section; provided further that purchase of supplies, materials, and equipment which is to be resold by the using agency may be negotiated for by the City Purchasing Agent when in his judgment the lowest and best price can be obtained by such negotiation.

B. All such bids shall be submitted sealed to the City Purchasing Agent and shall be accompanied by surety in such form and amount as shall be prescribed by the City Purchasing Agent in the notice inviting bids.

C. 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. After examination and tabulation by the City Purchasing Agent, all bids may be inspected by the competing bidders. The City Purchasing Agent may reject any or all bids, or part of bids, and shall state in writing and keep a record of the reason or reasons for such rejection, which record shall be open to public inspection. Otherwise 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.

(Am-1) In determining the lowest and best bidder, the City Purchasing Agent may consider such factors, among others, as quality, delivery terms, and service reputation of the vendor.

D. An invitation to bid may specify that life cycle costing will be used either as the exclusive basis for evaluating bids or on an alternative basis. If sufficient life cycle cost information is readily available, the Purchasing Agent shall consider the life cycle cost in determining the lowest and best bid in accordance with the invitation to bid. "Life cycle cost" means the total cost to the City of the supplies, materials, or equipment procured over its estimated useful life, including costs of selection, acquisition, operation, maintenance, and where applicable, disposal as far as these costs can be reasonably determined, minus the salvage value at the end of its estimated useful life. The "estimated useful life" means the estimated time from the date of acquisition to the date of replacement or disposal, determined in a reasonable manner.

(E-1) E. When in the judgment of the City Purchasing Agent, bids require further information and analysis for the purpose of determining the lowest and best bidder, he may request that bidders provide pertinent information, and on receipt thereof may negotiate with one or more bidders and award such contract to the lowest and best bidder as determined by such negotiation.

(E-2) F. When two or more low bids received are for the same total amount or unit price, the City Purchasing Agent may allow such tied bidders to offer a lower price or may make such purchase in the open market at a price not ex-

ceeding the lowest and best bidder. The Purchasing Agent may in his discretion determine the lowest and best bidder for expenditures under Two Thousand Five Hundred Dollars (\$2,500) by the same criteria as used for larger purchases. When the invitation to bid so specifies and if sufficient life cycle cost information is readily available, the Purchasing Agent shall consider the life cycle cost in determining the lowest and best bidder in accordance with the invitation to bid.

Section 3. Upon request, the Energy Office in the Executive Department shall supply the Purchasing Agent with information about energy prices.

Section 4. On or before September 14, 1981, the Mayor shall submit to the City Council for approval two alternate plans and one-year schedules for implementing life cycle costing in City procurement. The plans shall identify products or criteria for choosing products (a) for which life cycle costing shall be used, (b) for which life cycle costing shall be used if sufficient life cycle cost information is readily available, and (c) for which life cycle costing shall not be used. The plans shall include a method for assessing life cycle costs; provisions for gathering and supplying information necessary for carrying out the plan; provisions for maintaining appropriate records; a recommendation on the content, frequency and timing of reports on the performance of the life cycle costing program; and for the year following the effective date of this ordinance, they shall include provisions for training staff, and an estimate of the personnel and appropriations needed by the Purchasing Agent and the City as a whole to carry out the plan. One plan shall be consistent with the personnel and appropriations in the Mayor's proposed 1982 budget. The alternate plan shall be consistent with the maximum economically justifiable use of life cycle costing in City procurement. The plans shall be developed by the Purchasing Agent with the advice and consultation of affected City departments. The plan, as approved by the City Council, shall guide the Purchasing Agent in making City procurements. The plan may be periodically revised, subject to City Council approval.

Section 5. 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 13th day of July, 1981, and signed by me in open session in authentication of its passage this 13th day of July, 1981.

[Signature]
President Pro Tem of the City Council

Approved by me this 23rd day of July, 1981.

[Signature]
Mayor

Filed by me this 23rd day of July, 1981.

ATTEST: [Signature]
City Comptroller and City Clerk

BY: [Signature]
Deputy Clerk

(SEAL)

Publication ordered by TIM HILL, Comptroller and City Clerk.

Date of Official Publication in the Daily Journal of Commerce, Seattle, July 27, 1981. PC-8881