

ORDINANCE No. 118338

COUNCIL BILL No. 111500

INDEXED

*Law Department*

The City of Seattle - Legisla

AN ORDINANCE relating to contracting, amending Seattle Municipal Code Sections 3.18.806A, 3.18.810, and 3.18.812 to increase competitive bidding and open market purchase limits, adding a new Section 3.18.840 to authorize the Director of Administrative Services to adjust purchasing limits annually for inflation, repealing Seattle Municipal Code Sections 3.18.101, 3.18.111, 3.18.121 and Subsection F of Section 20.46A.10 to eliminate the Contracting Appeals Board, amending the Seattle Municipal Code Section 3.18.030 to modify the duties of the Director of Administrative Services with respect to evaluating bidders on public works contracts, amending Seattle Municipal Code Section 20.46A.060 to make Women and Minority Business Enterprise (WMBE) Ordinance processes consistent with other contracting practices, and amending Seattle Municipal Code Section 3.18.860 to authorize cooperative purchasing agreements with public benefit non-profit corporations for acquisition of services, supplies, materials, and equipment.

REPORT OF COMMITTEE

Honorable President:

Your Committee or:

to which was referred the within Council Bill No. \_\_\_\_\_ report that we have considered the same and respectfully recommend

*Full Council vote 9-0*

COMPTROLLER FILE No.

Introduced: <i>10-7-96</i>	By: <i>Choe</i>
Referred: <i>10-7-96</i>	To: <i>Full Council</i>
Referred:	To:
Referred:	To:
Reported: <i>OCT 14 1996</i>	Second Reading: <i>OCT 14 1996</i>
Third Reading: <i>OCT 14 1996</i>	Signed: <i>OCT 14 1996</i>
Presented to Mayor: <i>OCT 15 1996</i>	Approved: <i>OCT 21 1996</i>
Returned to City Clerk: <i>OCT 23</i>	Published: <i>Full 7 pages</i>
Vetoesd by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained: <i>(OK)</i>

Committee Chair

INDEXED

*Law Department*

The City of Seattle--Legislative Department

Date Reported  
and Adopted

REPORT OF COMMITTEE

Honorable President:

Your Committee on \_\_\_\_\_

to which was referred the within Council Bill No. \_\_\_\_\_

report that we have considered the same and respectfully recommend that the same:

*Full Council vote 9-0*

\_\_\_\_\_  
Committee Chair

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

ORDINANCE 118338

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

AN ORDINANCE relating to contracting; amending Seattle Municipal Code Sections 3.18.806A, 3.18.810 and 3.18.812 to increase competitive bidding and open market purchase limits; adding a new Section 3.18.840 to authorize the Director of Administrative Services to adjust purchasing limits annually for inflation; repealing Seattle Municipal Code Sections 3.18.101, 3.18.111, 3.18.121 and Subsection E of Section 20.46A.130 to eliminate the Contracting Appeals Board; amending the Seattle Municipal Code Section 3.18.030 to modify the duties of the Director of Administrative Services with respect to prevailing wages on public works contracts; amending Seattle Municipal Code Section 20.46A.060 to make Women and Minority Business Enterprise (WMBE) Ordinance processes consistent with other contracting practices; and amending Seattle Municipal Code Section 3.18.800 to authorize cooperative purchasing agreements with public benefit non-profit corporations for acquisition of services, supplies, materials, and equipment.

WHEREAS, the Contracting Services Division of the Department of Administrative Services has examined various means to streamline the City's contracting processes, improve administrative efficiencies, and provide more cost-effective, user-friendly service;

WHEREAS, the delay and administrative expense of seeking competitive bids on small purchases outweighs the benefits gained from the competitive bid process;

WHEREAS, the differences in dollar thresholds for formal competitive bidding among the contracting processes creates confusion for City departments and contractors;

WHEREAS, the benefits of direct handling of contract disputes by the affected department surpasses any negative impacts of eliminating the Contracting Appeals Board;

WHEREAS, the inconsistencies between the WMBE Ordinance and other contracting processes creates confusion for City departments and contractors;

WHEREAS, the WMBE Ordinance requirements and processes are not flexible and do not work well with non-traditional agreements;

WHEREAS, buying consortiums exist both within and outside the State of Washington affording opportunities to maximize procurement powers and cost savings; Now, Therefore,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1 Section 1. SMC 3.18.806A (parts of § 5 of Ordinance 102151, as last amended by § 2 of  
2 Ordinance 117242) is further amended as follows:

3  
4 **3.18.806 Competitive bidding - Cost over ~~\$30,000.00~~(\$25,000).**

5 A. Except in emergencies provided for in this subchapter, all expenditures for supplies,  
6 materials, equipment, and services within the purview of this subchapter the estimated cost of  
7 which is in excess of Thirty Thousand Dollars (\$30,000.00)~~((Twenty-five Thousand Dollars~~  
8 ~~(\$25,000)))~~per requisition shall be made on written contract entered into upon the basis of  
9 competitive bids and are subject to the preferences provided by SMC 3.18.910. Notices inviting  
10 sealed competitive bids shall be published at least once in the City official newspaper, and at  
11 least five (5) calendar days must intervene between the date of the last publication and the final  
12 date for submitting the bids; provided, that purchases of patented or proprietary items available  
13 from a single source, or purchases or contracts for services within the purview of this subchapter  
14 where competitive bidding is deemed impracticable by the Director of Administrative Services,  
15 shall be exempt from the competitive bidding requirements of the section; provided, further, that  
16 the purchase of supplies, materials, and equipment to be resold by the using agency may be  
17 negotiated for by the Director of Administrative Services when, in his or her judgment, the  
18 lowest and best price can be obtained by such negotiation.

19  
20 Section 2. SMC 3.18.810 (§ 6 of Ordinance 102151, as last amended by § 9 of Ordinance  
21 117159) is further amended as follows:

22  
23 **3.18.810 Expenditures under ~~\$30,000.00~~(\$25,000.00)**

24 All expenditures for supplies, materials, equipment, and services within the purview of  
25 this subchapter, the estimated cost of which will not exceed Thirty Thousand Dollars  
26 (\$30,000.00)~~((Twenty-five Thousand Dollars (\$25,000.00)))~~, per requisition may be made in the  
27 open market; provided that to the extent possible, the Director of Administrative Services or his  
28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1 or her designated representative shall endeavor to obtain from prospective vendors at least three  
2 (3) competitive bids , and shall award such purchase to the lowest and best bidder, subject to the  
3 preferences provided by SMC Section 3.18.910. The Director or his or her designated  
4 representative ~~((of Administrative Services-))~~ may, in his or her discretion, determine the lowest  
5 and best expenditures under Thirty Thousand Dollars (\$30,000.00) ~~((Twenty-five Thousand~~  
6 ~~Dollars (\$25,000.00)))~~ per requisition by the same criteria as used for larger purchases. When  
7 the Invitation to Bid so specifies, and if sufficient life cycle cost information is readily available,  
8 the Director of Administrative Services shall consider the life cycled cost in determining the  
9 lowest and best bidder in accordance with the Invitation to Bid.

10  
11 Section 3. SMC 3.18.812 (§ 7 of Ordinance 102151, as last amended by parts of § 16 and  
12 27 of Ordinance 116007) is further amended as follows:

13  
14 **3.18.812 Open market purchases where bidding is impractical**

15 The Director of Administrative Services or his or her designated representative may  
16 secure in the open market without bids any supplies, materials, equipment, or services within the  
17 purview of this subchapter, the cost of which will not exceed Five Thousand Dollars  
18 (\$5,000.00) ~~((One Thousand Dollars (\$1,000.00)))~~ per item, when the delay and expense of  
19 handling bids on small purchases would not be advantageous to the City.

20  
21 Section 4. A new section shall be added to the Seattle Municipal Code as follows:

22  
23 **3.18.840 Escalation of Dollar Limits**

24 A. As of January 1, 1997, all monetary amounts specified in Sections 3.18.806 and  
25 3.18.810 shall be annually adjusted hereafter by the Director of Administrative Services,  
26 consistent with the formula described in SMC 3.114.140 for ad ent of the consultant  
27  
28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1 selection threshold, so that the thresholds for competitive bidding for purchases and the  
2 consultant selection threshold are maintained at the same amount.

3 B. As of January 1, 1997, the monetary amounts specified in Section 3.18.812 shall  
4 be adjusted every five years by the Director of Administrative Services, immediately following  
5 publication of the preceding year's annual Consumer Price Index for all urban consumers Seattle-  
6 Tacoma metropolitan area, All Items (1982-84 = 100), as determined by the U.S. Department of  
7 Labor, Bureau of Labor Statistics, to eliminate the effects of inflation or deflation on purchasing  
8 power and the authority granted by this subchapter. Such monetary amount, as adjusted, in  
9 Section 3.18.812 shall be rounded upwards to the nearest Thousand Dollars (\$1,000.00).

10

11 Section 5. **SMC 3.18.101, 3.18.111, and 3.18.121** are hereby repealed.

12

13 Section 6. **Subsection E of SMC 20.46A.130** is hereby repealed.

14

15 Section 7. Subsection H of SMC 3.18.030 is hereby amended to read as follows:

16

17 **SMC 3.18.030 Director -- Duties**

18 H. Ensuring that all public work activities and contracts for public works projects  
19 awarded by the City are developed and carried out in a manner consistent with applicable state  
20 law and City ordinances, by, among other activities:

21

22 1. Issuing invitation to bid on, awarding to the lowest and best bidder for, and  
23 through rules adopted pursuant to SMC Chapter 3.02, directing the administration and  
24 management of, all contracts for public works projects undertaken by or for the City, and

25 2. Complying with all Federal, State, local and grant assistance requirements relating  
26 to the payment of prevailing wages, and promoting continuing compliance with applicable  
27 prevailing wage laws or regulations on public works contracts; (~~Ensuring that persons~~

28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1 employed pursuant to a contract for public works or a contract financed with grant assistance are  
2 paid at not less than the prevailing rate of pay required by any applicable law or regulations.))

3  
4 Section 8. SMC 20.46A.060 (Ord. 117080 § 2(part), 1994, as last amended by Ord.  
5 117407 § 19, 1994) is further amended to add a new section as follows:

6  
7 **SMC 20.46A.060 Powers and duties of Director.**

8 D. The Director may exempt contracts or programs from any or all of the  
9 requirements of this ordinance, or rules and regulations adopted in accordance with this chapter,  
10 if it would not impair the purposes of the WMBE program, in acknowledgment of the variability  
11 of business agreements entered into by the City, such that the City can be responsible and  
12 reasonable in its application of this program. The Director may establish different procedures for  
13 different kinds of agreements that are appropriate and fitting with the course of that business  
14 activity.

15  
16 Section 9. SMC 3.18.800 (§ 2 of Ordinance 102151, as last amended by § 10 and parts of  
17 § 27 of Ordinance 116007) is further amended as follows:

18  
19 **3.18.800 Purchasing Powers**

20 Except where otherwise provided in this subchapter, the Director of Administrative  
21 Services shall purchase, sell or transfer, contract for, rent or lease all supplies, materials,  
22 equipment, and services other than expert and consultant services needed by various departments  
23 of the City government, referred to in this subchapter as "using" agencies; provided, that the  
24 Director of Administrative Services is authorized to enter into cooperative and/or joint  
25 agreements with ~~((the))~~ any state or any governmental agency or subdivision, thereof, or any  
26 other governmental unit or any public benefit non-profit corporation for the purchase of such  
27 supplies, materials, ~~((and))~~ equipment, and services under the purview of this chapter; provided,  
28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

bb/bb/10-3-96/V3

1 further, that such public benefit non-profit corporation is an agency that is receiving local, state,  
2 or federal funds either directly or through a public agency; provided, further, that purchases made  
3 pursuant to any such agreement shall be separately invoiced to the respective ~~((governmental~~  
4 ~~units-))~~purchasers in accordance with the purchases made by each; and provided, further, that  
5 each such~~((-governmental unit))~~ purchaser shall be responsible for payment for its own purchases  
6 only. Purchases made for the City under a purchasing contract executed by ~~((the))~~a state, or  
7 agency or subdivision thereof, or by another governmental unit or public benefit non-profit  
8 corporation shall be exempt from the competitive bidding and related requirements of Section  
9 3.18.806.

10 Section 10. Any acts done consistent with and prior to the effective date of this ordinance  
11 are hereby ratified and confirmed.

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1 Section 11. This ordinance shall take effect and be in force thirty (30) days from and  
2 after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10)  
3 days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.  
4

5 Passed by a three-fourths (3/4) vote of all the members of the City Council the 14  
6 day of October, 1996, and signed by me in open session in authentication of its  
7 passage this 14 day of October, 1996.  
8  
9

10  
11 Juan Drago  
12 Council President \_\_\_\_\_ of the City  
13

14 Approved by me this 21 day of October, 1996.  
15

16 Maurank B. Rice  
17 Mayor  
18

19 Filed by me this 23 day of October, 1996.  
20

21 Judith E. Papp  
22 City Clerk  
23  
24  
25  
26  
27  
28

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

**From:** Brenda Bauer  
**To:** Law.Civil Division.ENGR, CONTRACT.BRANDOR  
**Date:** 10/3/96 3.43pm  
**Subject:** URGENT -- title change, ordinance

I reviewed the title per our discussion and changed the error --- I swear I had specifically made those changes before --- I think it just got to be too many versions flying around, sorry --- will see what we need to do now ... I don't know if it needs to be re-introduced, since this is just a technical error ... BB 6-1119

**CC:** SEA-LEG.Council & Central Staff.CTRAISM, CONTRACT....

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

AN ORDINANCE relating to contracting; amending Seattle Municipal Code Sections 3.18.806A, 3.18.810 and 3.18.812 to increase competitive bidding and open market purchase limits; adding a new Section 3.18.840 to authorize the Director of Administrative Services to adjust purchasing limits annually for inflation; repealing Seattle Municipal Code Sections 3.18.101, 3.18.111, 3.18.121 and Subsection E of Section 20.46A.130 to eliminate the Contracting Appeals Board; amending the Seattle Municipal Code Section 3.18.030 to modify the duties of the Director of Administrative Services with respect to prevailing wages on public works contracts; amending Seattle Municipal Code Section 20.46A.060 to make Women and Minority Business Enterprise (WMBE) Ordinance processes consistent with other contracting practices; and amending Seattle Municipal Code Section 3.18.800 to authorize cooperative purchasing agreements with public benefit non-profit corporations for acquisition of service supplies, materials, and equipment.

Thanks for your help!

CC: Sea-Leg.Council & Central Staff MCHOE

C.B 111500

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Attachment to Ordinance \_\_\_\_\_  
Streamlining Contracting Ordinance

## Alternative Process to the Contracting Appeals Board Function

We will create by rule, in the new consolidated Department "X" (DOX), a formal process for protests and appeals. Contractors and bidders will have the option of filing a formal protest or appeal with the department, which will be reviewed by the appropriate section manager (purchasing or public works). The section manager will conduct a fact-finding hearing with the protester or appellant and other affected parties, including the administering department. The decision of the section manager may be appealed to the Contracting Services Director and subsequently to the Department Head. This alternate conflict resolution process will parallel the functions of the current Contracting Appeals Board, but will do so without as much administrative process.

DAS/DOX commits to reducing the time that it takes to hear and resolve appeals from four or more weeks to two weeks or less on average. DAS/DOX will report to the Finance Committee with a preliminary evaluation of the new program in six (6) months and a formal evaluation at one (1) year. The department will monitor and report on the following benchmarks, in addition to other pertinent information concerning the program:

- number of appeals; increases or decreases in relationship to prior years
- average time to resolve appeals; increases or decreases in relationship to prior years
- number of lawsuits filed, if any, during the evaluation period (where any lawsuits appear likely, DAS/DOX will inform the Committee Chair immediately)

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

## SOP 100-014 -- Additional Information on Legislative Requests

1) Statement of Program/Proposal Objectives:

In our continued efforts to streamline the City's contracting processes and achieve improved administrative efficiencies in Contracting Services, we have drafted the attached ordinance which will accomplish the following: 1) increase the competitive bidding limits for goods and services (other than public works consultant services); 2) eliminate the Contracting Appeals Board; 3) modify prevailing wage monitoring duties on public works contracts; 4) make adjustments and clarifications to the WMBE Ordinance; and 5) allow the City to enter into cooperative purchasing agreements with public benefit non-profit corporations.

These changes are consistent with the division's goal to eliminate functions which require large commitments of staff time and resources but add little value to the contracting process and to modify practices to reduce confusion regarding the many contracting processes and their application. Specifically, we believe the changes will result in improved timeliness (at cost savings to all), a reduction in conflicting and confusing processes, greater flexibility for departments obtaining small acquisitions, and greater and an improved capacity to focus staff resources on the more complex and critical areas within the contracting arena.

Please see the attached briefing paper and the attachment specifically describing our alternate process to replace the existing Contracting Appeals Board (CAB).

2) Dollar Amount Requested/Fund Source:

None.

3) Length of Program Commitment:

Permanent change in the duties of the department.

4) List of New Positions:

None. 2 FTE positions will be eliminated as accepted in the DAS decrement package.

5) Facilities or Equipment:

None

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

City of Seattle  
Department of Administrative Services

Contracting Services Division

Kenneth J. Nakatsu, Director  
Norman B. Rice, Mayor



MEMORANDUM

August 30, 1996

RECEIVED OMP

AUG 30 1996

TO: The Honorable Martha Choe  
Seattle City Council

VIA: Tom Tierney, Director  
Monica Power  
Office of Management and Planning

FROM: *Ken Nakatsu*  
Ken Nakatsu, Director  
Department of Administrative Services

SUBJECT: An Ordinance Related To Contracting Services

In our continued efforts to streamline the City's contracting processes and achieve improved administrative efficiencies in Contracting Services, we have drafted the attached ordinance which will accomplish the following: 1) increase the competitive bidding limits for goods and services (other than public works/consultant services); 2) eliminate the Contracting Appeals Board; 3) modify prevailing wage monitoring duties on public works contracts; 4) make adjustments and clarifications to the WMBE Ordinance; and 5) allow the City to enter into cooperative purchasing agreements with public benefit non-profit corporations.

These changes are consistent with the division's goal to eliminate functions which require large commitments of staff time and resources but add little value to the contracting process and to modify practices to reduce confusion regarding the many contracting processes and their application. Specifically, we believe the changes will result in improved timeliness (at cost savings to all), a reduction in conflicting and confusing processes, greater flexibility for departments obtaining small acquisitions, and greater and an improved capacity to focus staff resources on the more complex and critical areas within the contracting arena.

Over time, a number of separate functions, like administration of public works contracts, consultant contracting, purchasing and contract compliance, have been merged into the Contracting division created in DAS. When these functions were separate, they developed different procedures, thresholds, processes and approaches. This Ordinance is

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Nakatsu/Tierney/Choe  
Contracting Ordinance  
August 30, 1996  
Page 2

the linchpin of many ongoing efforts to re-engineer contracting processes so that they are user-friendly, logical and compatible.

Please note that in proposing the above changes we have taken care to ensure that alternate processes are in place to meet the needs of our customers. We remain committed to the ideals of fair dispute resolution, prevailing wages, WMBE participation, and obtaining the best products for our customers at the lowest possible cost via a fair process. In short, we are committed to improving efficiencies without compromising the integrity of the contracting process.

Attached is a briefing paper outlining the proposed changes. We hope you will support this effort to "reconstruct" many of our Contracting procedures to create consistent processes that can be applied logically to the myriad of agreements the City enters into, and to redirect critical staff resources to work on core contracting responsibilities.

If you have any questions, please contact Rod Brandon, Director of Contracting Services (684-0324).

**Attachments**

cc: Rod Brandon, Director of Contracting Services  
Mike Purdy, Public Works Contracting Manager  
Ann Kelson, Purchasing Manager

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

ORDINANCE \_\_\_\_\_

AN ORDINANCE relating to contracting; amending Seattle Municipal Code Sections 3.18.806A, 3.18.810 and 3.18.812 to increase competitive bidding and open market purchase limits; adding a new Section 3.18.840 to authorize the Director of Administrative Services to adjust purchasing limits annually for inflation; repealing Seattle Municipal Code Sections 3.18.101, 3.18.111, 3.18.121 and Subsection E of Section 20.46A.130 to eliminate the Contracting Appeals Board; amending the Seattle Municipal Code Section 3.18.030 to modify the duties of the Director of Administrative Services with respect to prevailing wages on public works contracts; amending Seattle Municipal Code Section 20.46A.060 to make Women and Minority Business Enterprise (WMBE) Ordinance processes consistent with other contracting practices; and amending Seattle Municipal Code Section 3.18.800 to authorize cooperative purchasing agreements with public benefit non-profit corporations for acquisition of services, supplies, materials, and equipment.

WHEREAS, the Contracting Services Division of the Department of Administrative Services has examined various means to streamline the City's contracting processes, improve administrative efficiencies, and provide more cost-effective, user-friendly service;

WHEREAS, the delay and administrative expense of seeking competitive bids on small purchases outweighs the benefits gained from the competitive bid process;

WHEREAS, the differences in dollar thresholds for formal competitive bidding among the contracting processes creates confusion for City departments and contractors;

WHEREAS, the benefits of direct handling of contract disputes by the affected department surpasses any negative impacts of eliminating the Contracting Appeals Board;

WHEREAS, the inconsistencies between the WMBE Ordinance and other contracting processes creates confusion for City departments and contractors;

WHEREAS, the WMBE Ordinance requirements and processes are not flexible and do not work well with non-traditional agreements;

WHEREAS, buying consortiums exist both within and outside the State of Washington affording opportunities to maximize procurement powers and cost savings; Now, Therefore,

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. SMC 3.18.806A (parts of § 5 of Ordinance 102151, as last amended by § 2 of Ordinance 117242) is further amended as follows:

**3.18.806 Competitive bidding - Cost over \$30,000.00(~~(\$25,000)~~).**

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 Thirty Thousand Dollars (\$30,000.00)(~~Twenty-five Thousand Dollars (\$25,000)~~)) per requisition shall be made on written contract entered into upon the basis of competitive bids and are subject to the preferences provided by SMC 3.18.910. Notices inviting sealed competitive bids shall be published at least once in the City 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; provided, that purchases of patented or proprietary items available from a single source, or purchases of contracts for services within the purview of this subchapter where competitive bidding is deemed impracticable by the Director of Administrative Services, shall be exempt from the competitive bidding requirements of the section; provided, further, that the purchase of supplies, materials, and equipment to be resold by the using agency may be negotiated for by the Director of Administrative Services when, in his or her judgment, the lowest and best price can be obtained by such negotiation.

Section 2. SMC 3.18.810 (§ 6 of Ordinance 102151, as last amended by § 9 of Ordinance 117159) is further amended as follows:

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

**3.18.810 Expenditures under ~~\$30,000.00~~(\$25,000.00)**

All expenditures for supplies, materials, equipment, and services within the purview of this subchapter, the estimated cost of which will not exceed Thirty Thousand Dollars (~~\$30,000.00~~)(~~Twenty-five Thousand Dollars (\$25,000.00)~~), per requisition may be made in the open market; provided that to the extent possible, the Director of Administrative Services or his or her designated representative shall endeavor to obtain from prospective vendors at least three (3) competitive bids, and shall award such purchase to the lowest and best bidder, subject to the preferences provided by SMC Section 3.18.910. The Director or his or her designated representative (~~of Administrative Services~~) may, in his or her discretion, determine the lowest and best expenditures under Thirty Thousand Dollars (\$30,000.00) (~~Twenty-five Thousand Dollars (\$25,000.00)~~) per requisition 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 Director of Administrative Services shall consider the life cycled cost in determining the lowest and best bidder in accordance with the Invitation to Bid.

Section 3. SMC 3.18.812 (§ 7 of Ordinance 102151, as last amended by parts of § 16 and 27 of Ordinance 116007) is further amended as follows:

**3.18.812 Open market purchases where bidding is impractical**

The Director of Administrative Services or his or her designated representative may secure in the open market without bids any supplies, materials, equipment, or services within the purview of this subchapter, the cost of which will not exceed Five Thousand Dollars (~~\$5,000.00~~)(~~One Thousand Dollars (\$1,000.00)~~) per item, when the delay and expense of handling bids on small purchases would not be advantageous to the City.

Section 4. A new section shall be added to the Seattle Municipal Code as follows:

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

**3.18.840 Escalation of Dollar Limits**

A. As of January 1, 1997, all monetary amounts specified in Sections 3.18.806 and 3.18.810 shall be annually adjusted hereafter by the Director of Administrative Services, consistent with the formula described in SMC 3.114.140 for adjustment of the consultant selection threshold, so that the thresholds for competitive bidding for purchases and the consultant selection threshold are maintained at the same amount.

B. As of January 1, 1997, the monetary amounts specified in Section 3.18.812 shall be adjusted every five years by the Director of Administrative Services, immediately following publication of the preceding year's annual Consumer Price Index for all urban consumers Seattle-Tacoma metropolitan area, All Items (1982-84 = 100), as determined by the U.S. Department of Labor, Bureau of Labor Statistics, to eliminate the effects of inflation or deflation on purchasing power and the authority granted by this subchapter. Such monetary amount, as adjusted, in Section 3.18.812 shall be rounded upwards to the nearest Thousand Dollars (\$1,000.00).

Section 5. SMC 3.18.101, 3.18.111, and 3.18.121 are hereby repealed.

Section 6. Subsection E of SMC 20.46A.130 is hereby repealed.

Section 7. Subsection H of SMC 3.18.030 is hereby amended to read as follows:

**SMC 3.18.030 Director -- Duties**

H. Ensuring that all public work activities and contracts for public works projects awarded by the City are developed and carried out in a manner consistent with applicable state law and City ordinances, by, among other activities:

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

1. Issuing invitation to bid on, awarding to the lowest and best bidder for, and through rules adopted pursuant to SMC Chapter 3.02, directing the administration and management of, all contracts for public works projects undertaken by or for the City, and

2. Complying with all Federal, State, local and grant assistance requirements relating to the payment of prevailing wages, and promoting continuing compliance with applicable prevailing wage laws or regulations on public works contracts;((-Ensuring that persons employed pursuant to a contract for public works or a contract financed with grant assistance are paid at not less than the prevailing rate of pay required by any applicable law or regulations.))

Section 8. SMC 20.46A.060 (Ord. 117080 § 2(part), 1994, as last amended by Ord. 117407 § 19, 1994) is further amended to add a new section as follows:

**SMC 20.46A.060 Powers and duties of Director.**

D. The Director may exempt contracts or programs from any or all of the requirements of this ordinance, or rules and regulations adopted in accordance with this chapter, if it would not impair the purposes of the WMBE program, in acknowledgment of the variability of business agreements entered into by the City, such that the City can be responsible and reasonable in its application of this program. The Director may establish different procedures for different kinds of agreements that are appropriate and fitting with the course of that business activity.

Section 9. SMC 3.18.800 (§ 2 of Ordinance 102151, as last amended by § 10 and parts of § 27 of Ordinance 116007) is further amended as follows:

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

**3.18.800 Purchasing Powers**

Except where otherwise provided in this subchapter, the Director of Administrative Services shall purchase, sell or transfer, contract for, rent or lease all supplies, materials, equipment, and services other than expert and consultant services needed by various departments of the City government, referred to in this subchapter as "using" agencies; provided, that the Director of Administrative Services is authorized to enter into cooperative and/or joint agreements with ~~((the))~~ any state or any governmental agency or subdivision, thereof, or any other governmental unit or any public benefit non-profit corporation for the purchase of such supplies, materials, ~~((and--))~~ equipment, and services under the purview of this chapter; provided, further, that such public benefit non-profit corporation is an agency that is receiving local, state, or federal funds either directly or through a public agency; provided, further, that purchases made pursuant to any such agreement shall be separately invoiced to the respective ~~((governmental units--))~~ purchasers in accordance with the purchases made by each; and provided, further, that each such ~~((-governmental unit))~~ purchaser shall be responsible for payment for its own purchases only. Purchases made for the City under a purchasing contract executed by ~~((the))~~ a state, or agency or subdivision thereof, or by another governmental unit or public benefit non-profit corporation shall be exempt from the competitive bidding and related requirements of Section 3.18.806.

Section 10. Any acts done consistent with and prior to the effective date of this ordinance are hereby ratified and confirmed.

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE  
IT IS DUE TO THE QUALITY OF THE DOCUMENT.

Section 11. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by a three-fourths (3/4) vote of all the members of the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_.

\_\_\_\_\_  
Council President \_\_\_\_\_ of the City

Approved by me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_.

\_\_\_\_\_  
Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_.

\_\_\_\_\_  
City Clerk

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

96-974

City of Seattle

Executive Department—Office of Management and Planning

Thomas M. Tierney, Director  
Norman B. Rice, Mayor

August 30, 1996

The Honorable Mark Siaran  
City Attorney  
City of Seattle

Dear Mr. Siaran:

The Mayor is proposing to the City Council that the enclosed legislation be adopted.

REQUESTING DEPARTMENT: Administrative Services

SUBJECT: AN ORDINANCE relating to contracting; amending Seattle Municipal Code Sections 3.18.806A, 3.18.810 and 3.18.812 to increase competitive bidding and open market purchase limits; adding a new Section 3.18.840 to authorize the Director of Administrative Services to adjust purchasing limits annually for inflation; repealing Seattle Municipal Code Sections 3.18.101, 3.18.111, 3.18.121 and Subsection E of Section 20.46A.130 to eliminate the Contracting Appeals Board; amending the Seattle Municipal Code Section 3.18.030 to modify the duties of the Director of Administrative Services with respect to prevailing wages on public works contracts; amending Seattle Municipal Code Sections 20.46A.060, 20.46A.090, and 20.46A.10 to make Women and Minority Business Enterprise (WMBE) Ordinance processes consistent with other contracting practices; and amending Seattle Municipal Code Section 3.18.800 to authorize cooperative purchasing agreements with public benefit non-profit corporations for acquisition of services, supplies, materials, and equipment.

Pursuant to the City Council's S.O.P. 100-014, the Executive Department is forwarding this request for legislation to your office for review and drafting.

After reviewing this request and any necessary redrafting of the enclosed legislation, return the legislation to OMP. Any specific questions regarding the legislation can be directed to Monica Power at 684-8076.

Sincerely,

Norman B. Rice  
Mayor

by *Tom Tierney*  
TOM TIERNEY  
Director

h:\admin\legis\law\trsl\power16  
Accommodations for people with disabilities provided on request. An equal employment opportunity - affirmative action employer.  
Office of Management and Planning 300 Municipal Building, Seattle, Washington 98104-1826  
(206) 281-8080 • (TDD) 684-8118 • FAX (206) 233-0035

Printed on Recycled Paper

COPY RECEIVED  
AUG 30 PM 4:45  
CITY ATTORNEY



*9/3/96*  
*Approved for SS*

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

STATE OF WASHINGTON - KING COUNTY

73736  
City of Seattle, City Clerk

—SS.

No. ORDINANCE IN

Affidavit of Publication

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

CT:ORD 118338

was published on  
11/04/96

The amount of the fee charged for the foregoing publication is the sum of \$ \_\_\_\_\_, which amount has been paid in full.

Subscribed and sworn to before me on  
11/06/96

Notary Public for the State of Washington  
residing in Seattle

Affidavit of Publication

NOTICE: IF THE DOCUMENT IN THIS FRAME IS LESS CLEAR THAN THIS NOTICE IT IS DUE TO THE QUALITY OF THE DOCUMENT.

SEAL: Filed by me this 23rd day of October, 1996.  
(Seal) JUDITH E. PIPPIN,  
City Clerk.  
Publication ordered by JUDITH PIPPIN, City Clerk.  
Date of official publication in Daily Journal of Commerce, Seattle, November 4,  
1996. 11/4(73736)