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Nancy M. Locke
FAS, Purchasing Code Update ORD
September 26, 2013
Version #7a

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118028

AN ORDINANCE relating to City procurement, deleting obsolete language, and updating definitions, authorities, practices, and requirements; amending Sections 20.60.100, 20.60.101, 20.60.102, 20.60.106, 20.60.110, 20.60.112, 20.60.114, 20.60.116, 20.60.118, 20.60.120, 20.60.122, 20.60.124, and 20.60.132; and repealing Sections 20.60.108, 20.60.126, 20.60.130, and 20.60.140 of the Seattle Municipal Code in connection thereto.

WHEREAS, the City of Seattle employs strict procurement processes to ensure that its acquisitions are made in the public's best interests; and

WHEREAS, the Mayor and City Council strongly support competitive processes that are fair, equitable, transparent, and that promote social equity and justice, and

WHEREAS, the City's procurement processes and procedures have evolved over time and the Seattle Municipal Code needs to be updated in order to reflect current practices; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Chapter 20.60 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

Chapter 20.60 - PURCHASING AND PROCUREMENT

Sections:

SubChapter I In General (Reserved)

SubChapter II Purchases

20.60.100 Purchasing powers((.))

20.60.101 Definitions((.))

20.60.102 Compliance by City officers and employees—Exceptions((.))

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20.60.106 Competitive ((~~bidding~~)) Solicitations((~~.~~))

((~~20.60.108 Zoo animals and specimens.~~))

20.60.110 Informal Competitive Threshold ((~~Expenditures under the competitive threshold.~~))

20.60.112 Direct Voucher ((~~Open market purchases where bidding is impractical.~~))

20.60.114 Emergency purchases((~~.~~))

20.60.116 ((~~Items purchased by published price list.~~))Blanket Contracts

20.60.118 Leasing or rental of equipment((~~.~~))

20.60.120 Repair or maintenance of equipment((~~.~~))

20.60.122 Inspection of deliveries((~~.~~))

20.60.124 Reports of supplies on hand—Sale or transfer of surplus((~~.~~))

((~~20.60.126 Testing of samples.~~))

((~~20.60.130 Examination of requisition—Brand and trade names.~~))

20.60.132 Contracting with Public Benefit Organizations ((~~sheltered workshops~~))~~—~~

Exemption((~~.~~))

((~~20.60.140 Escalation of dollar limits.~~))

* * *

Section 2. Section 20.60.100 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.60.100 Purchasing powers((~~.~~))

Except as((~~otherwise provided in this subchapter,~~)) provided by ordinance, the Director shall purchase, sell, ((~~or~~)) transfer, contract for, rent, or lease all ((~~supplies, materials,~~

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~~equipment,~~))Goods and ((~~s~~))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~~))and offices. T((~~t~~))he Director is authorized to enter into cooperative ((~~and/or joint~~))agreements with any government agency to share contracts or competitive solicitation results, and may execute or amend such contracts as needed to incorporate City terms and conditions. ((~~state or governmental agency or subdivision thereof, or any other governmental unit or any public benefit nonprofit corporation for the purchase of such supplies, materials, equipment, and services under the purview of this chapter; provided, further, that such public benefit nonprofit 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 s~~))Such ((~~agreement~~))purchases shall be separately invoiced and paid ((~~to~~))by the respective purchasers((~~ in accordance with the purchases made by each; and provided, further, that each such purchaser shall be responsible for payment for its own purchases only~~)). Contracts and p((~~P~~))urchases made for the City under such agreements((~~a purchasing contract executed by a state, or agency or subdivision thereof, or by another governmental unit or public benefit nonprofit corporation~~)) shall be exempt from the provisions in((~~the competitive bidding and related requirements of~~)) SMC((~~ection~~)) 20.60.106.

Section 3. Section 20.60.101 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.60.101 Definitions((~~.~~))

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((~~As used in this subchapter,~~))

The following words and phrases shall have the meanings hereinafter described unless the context in which they are included clearly indicates otherwise:

"Bidder" means a person or entity that intends to submit, or does submit, a response to a Competitive Solicitation.

"Competitive Solicitation" means a competitive Invitation to Bid or Request for Proposal issued by the Director.

"Competitive Solicitation Threshold" means the estimated dollar value of a procurement above which requires a formal Competitive Solicitation, including repetitive acquisitions anticipated for the same item by a single Department, The Competitive Solicitation Threshold, which is $47,000 in 2013 dollars, shall be adjusted by the Director hereafter in accordance with SMC 20.50.120.

"Department" means all City departments and offices except when exempted by ordinance.

"Direct Voucher Limit" means the competitive threshold for small acquisitions, which are less than $8,000 in 2013 dollars. The Direct Voucher Limit shall be adjusted every five years by the Director, consistent with SMC 20.50.120.

"Director" ((~~shall~~)) means the Director of Finance and Administrative Services.

"Goods" means goods, products, supplies, materials, and equipment.

"Invitation to Bid" means a Competitive Solicitation issued by the Director that seeks the lowest price.

"Purchase" means to acquire Goods and/or Services.

"Public Benefit Organizations" means Sheltered Workshops as defined in RCW 39.23.010, and other non-profit organizations that provide employment and/or training to disadvantaged individuals or to individuals with barriers to competing for employment in the labor market, as determined by the Director.

"Request for Proposal" means a Competitive Solicitation issued by the Director that seeks best value for the City, considering factors such as qualifications, experience, quality of proposed project team, cost, and/or proposed technical solutions.

"Responsibility" means the Bidder establishes, to the satisfaction of the Director, an ability to fulfill the solicitation expectations and requirements. The Director may consider such criteria as: (a) ability, capacity, availability, and skill to perform the contract; (b) character, integrity, customer service reputation, judgment, and experience; (c) previous performance on similar work; (d) previous and existing compliance with laws; (d) previous performance or existing

capability to perform good-faith efforts to meet social responsibility criteria established by the City including, but not limited to, the inclusion of women and minority-owned businesses; and; (e) other information bearing on the Bidder's ability to perform.

"Responsive" means the Solicitation Response materially met, to the Director's satisfaction, the instructions and requirements established in the Competitive Solicitation.

"Services" means all services that are not consultant services as defined by Subsection 20.50.010.A.

"Solicitation Response" means Bids or Proposals submitted in response to a Competitive Solicitation.

Section 4. Section 20.60.102 of the Seattle Municipal Code, as last amended by Ordinance 121722, is amended as follows:

20.60.102 Compliance by City officers and employees—Exceptions((~~.~~))

No ((~~e~~))City officer or employee ((~~shall have the~~)) has authority to order or contract for ((~~the purchase of any supplies, materials, equipment,~~))Goods or ((~~s~~))Services ((~~within the purview of this subchapter~~))except through, or in accordance with, provisions of this Chapter and rules ((~~and regulations~~))prescribed by the Director ((~~and no order or contract made contrary to the~~

~~provisions of the subchapter shall be approved by the Director or any subordinate thereof or be binding upon the City; provided, that c~~)). Contracts for ((~~services in connection with~~)) public works,((~~and construction, or by~~)) consultants pursuant to SMCCh. 20.50, and ((~~all contracts for~~))services ((~~in connection with the acquisition of~~)) for real property and property right((~~s~~)) acquisitions, ((~~processing of~~))claims processing, and all litigation or interests in litigation ((~~of the City or in which the City or any of its departments may be interested, shall be~~)), are exempt from the provisions of this Chapter ((~~the requirements of this section~~)).

Section 5. Section 20.60.106 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.60.106 Competitive Solicitations ((~~bidding.~~))

A. ((~~Except in emergencies provided for in this subchapter, all expenditures for supplies, materials, equipment, and services~~))The Director shall competitively solicit purchases of Goods and/or Services((~~within the purview of this subchapter the~~)) estimated to cost ((~~of which is in excess of $44,000 per requisition in 2010 dollars~~))more than the Competitive Solicitation Threshold for the calendar year.((~~shall be made on written contract entered into upon the basis of competitive bids and are subject to the preferences provided by Section 20.60.210.~~))

Purchases anticipated to be repetitive and likely to accumulate to more than the Competitive Solicitation Threshold within the calendar year are subject to Competitive Solicitation. If

purchases unexpectedly accumulate to a cost greater than the Competitive Solicitation Threshold, such purchases shall be considered compliant to the Threshold and the Director may conduct a Competitive Solicitation if practicable for remaining purchases. Competitive Solicitations ((~~Notices inviting sealed competitive bids~~))shall be ((~~published~~))advertised 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~~)) before the ((~~b~~))Bids((~~;~~)) or Proposals are due.

B. ((~~provided, that purchases of~~))Sole source items such as patented or proprietary items available from a single source, or ((~~purchases or contracts for services within the purview of this subchapter~~))where C((~~c~~))ompetitive Solicitation ((~~bidding~~))is deemed impracticable by the Director, 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 when, in his or her judgment, the lowest and best price can be obtained by such negotiation.~~)) this Chapter.

((~~B.~~))C. The Director shall prepare and manage the Competitive Solicitation process. The Director shall examine specifications and requirements submitted by a Department and determine whether the specifications are clear and provide a sound basis for competitive bidding. When the Director finds such specifications are vague, ambiguous, or unduly restrict competitive bidding, s/he shall improve the materials or return them to the Department for modification.

D. The Director may use brand or trade names in a Competitive Solicitation if needed to describe the quality and nature of the Goods desired, and/or may require a particular brand or trade name if necessary to assure the business needs of a Department are adequately met.

E. Invitations to Bid shall solicit bids to be submitted in a secured manner and ((~~All such bids shall be submitted sealed to the Director and shall be accompanied by surety in such form and amount as shall be prescribed by the Director in the notice inviting bids. C. The bids shall be~~)) opened in public at the time and place stated in the Competitive Solicitation documents.((~~notice inviting bids.~~)) The Director shall determine which bids are responsive and submitted by a responsible bidder.((~~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 Director, all bids may be inspected by the competing bidders. The Director 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~~))

The Director ((~~shall~~))may award((~~the~~)) a contract to the lowest and best Responsive bid submitted by a Responsible B((~~b~~))idder((~~,~~)) and; if it is in the City's interest, the Director may award((~~,or in the case of~~)) multiple ((~~awards to the lowest and best bidders~~))contracts in consecutive order, with the lowest and best of the Responsive bids submitted by a Responsible bidder receiving the first award. In determining the lowest and best bidder, the Director may consider((~~such~~)) factors ((~~, among others,~~))such as quality, delivery terms, and service reputation of the vendor.

F. Request for Proposals shall solicit responses from interested Bidders. The Director shall determine which proposals are Responsive and submitted by a Responsible Bidder. The Director shall manage evaluation of Solicitation Responses. The Director may award a contract to the top-ranked Response, or award multiple contracts in their ranked order. The Director may negotiate to improve the awarded contract by mutual agreement before execution.

G. The Director may reject any or all Competitive Solicitations and may record the reason(s).

H. ((~~D.~~))Competitive Solicitations may use ((~~An Invitation to Bid may specify that~~))life cycle cost((~~ing will be used either as the exclusive basis~~)) for tabulating or evaluating ((~~bids~~))Solicitation Responses.((~~or on an alternative basis. If sufficient life cycle cost information is readily available, the Director 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 Goods((~~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~~)).

I((~~E~~)). When ((~~in the judgment of~~))the Director((~~,~~)) determines ((~~bids require~~))further information and analysis ((~~for the purpose of determining the lowest and best bidder, he/she~~))is needed to tabulate or evaluate Solicitation Responses, s/he may require ((~~request that b~~))Bidders provide ((~~pertinent~~))additional information((~~,and on receipt thereof may negotiate with one (1) or more bidders and award such contract to the lowest and best bidder as determined by such negotiation~~)).

((~~F. When two (2) or more low bids received are for the same total amount or unit price, the Director may allow such tied bidders to offer a lower price or may make such purchase in the open market at a price not exceeding such bid price.~~

~~G~~))J. The Director may require ((~~,before any contract is executed,~~))that the successful bidder furnish a performance bond ((~~in such amount as said official shall find reasonable and necessary, which requirement shall be stated in the notice inviting bids. All s~~))when required by the Competitive Solicitation. Surety bonds shall be subject to approval as to form by the City Attorney. ((~~If the successful bidder does not enter into a contract and file any required surety within ten (10) days after the award, such bidder shall forfeit the surety which accompanied its bid. A copy of each contract covering a term of three (3) months or more together with any required surety for performance thereof, shall be filed with the City Clerk.~~

~~H~~))K. As authorized by RCW 39.30.040, ((~~for determining the lowest and best bidder,~~))the Director shall take into consideration ((~~the~~))tax revenues derived by the City from its business

and occupation or utility taxes (SMC Chs((~~Seattle Municipal Code Chapters~~)). 5.45 and 5.48) and its sales and use taxes (((~~Seattle Municipal Code Chapter~~))SMC Ch. 5.60) ((~~from the proposed purchase~~))in evaluating or tabulating the price given within a Solicitation Response.

L. Except in emergencies, all procurements for Goods and Services estimated above the Competitive Solicitation Threshold shall be confirmed by written contract.

Cases: In letting a contract pursuant to City's competitive bidding law, Purchasing Agent did not have the right, after the bid opening, to negotiate with an individual bidder to lower the bidder's bid price without giving the same opportunity to all bidders. Platt Elec. Sup., Inc. v. City of Seattle, 16 Wn.App. 265, 555 P.2d 421 (1976).

Section 6. Section 20.60.108 of the Seattle Municipal Code is repealed.

((~~**20.60.108 Zoo animals and specimens.**~~

~~The Director shall effect acquisition or disposal by sale, purchase, trade, exchange, or loan, of all zoo animals and other zoo specimens and where competitive bidding is deemed impracticable by the Director, such acquisition or disposal shall be exempt from the competitive bidding requirements of this subchapter and the same may be effected by negotiated agreements by the Director in cooperation with the Superintendent of Parks and Recreation in accordance with such procedures as may be established by the Director.~~))

Section 7. Section 20.60.110 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.60.110 ((~~Expenditures under the competitive threshold.~~))Informal Competitive Threshold

Purchases of Goods and Services ((~~All expenditures for supplies, materials, equipment, and services within the purview of this subchapter~~))below the ((e))Competitive Solicitation ((~~t~~))Threshold ((~~in Section 20.60.106 per requisition~~))may be made by a Department without Competitive Solicitation. To the ((~~in the open market; provided, that to the~~))extent possible, the ((~~Director or his or her designated representative~~))Department shall endeavor to obtain ((~~from prospective vendors~~))at least three competitive bids, and ((~~shall~~))award ((~~such purchase~~))to the lowest and best bidder((~~, subject to the preferences provided by Section 20.60.210~~)). The ((~~Director or his or her designated representative~~))Department ((~~may, in his or her discretion, determine the lowest and best bidder for expenditures under this threshold by the same~~))may consider the same criteria ((~~as~~)) used ((~~for~~))by Competitive Solicitations. ((~~larger purchases. When the Invitation to Bid so specifies, and if sufficient life cycle cost information is readily available, the Director shall consider the life cycle cost in determining the lowest and best bidder in accordance with the Invitation to Bid.~~))

Section 8. Section 20.60.112 of the Seattle Municipal Code, as last amended by Ordinance 123361, is amended as follows:

20.60.112 ((~~Open market purchases where bidding is impractical.~~))Direct Voucher

((~~The~~))Goods or ((~~Director or his or her designated representative may secure in the open market without bids any supplies, materials, equipment, or s~~))Services costing less than the Direct Voucher Limit may be purchased by a Department without competition, unless there is a contract awarded by the Director in place for that same Good or Service.((~~within the purview of this subchapter, the cost of which will not exceed $7,000 per item in 2010 dollars, when the delay and expense of handling bids on small purchases would not be advantageous to the City. The Director may delegate any or all of the powers in this section to other departments at his or her discretion.~~))

The Department must utilize a contract issued by the Director as a result of a Competitive Solicitation, if the Department estimates the same item will be purchased repetitively during the calendar year such that the total amount paid is likely to meet or exceed the Competitive Solicitation Threshold.

Section 9. Section 20.60.114 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.114 Emergency purchases((.))

((~~In case of an emergency~~))Circumstances which require((s)) immediate purchase of Goods((~~supplies, materials, equipment,~~)) or Services to respond to an emergency are exempted from this Chapter and may be acquired by any City officer or employee authorized by ordinance or Department policy. The City officer or employee shall conduct competitive solicitation to the extent practicable given the emergency and in keeping with the dollar value of the acquisition. Any emergency purchase shall be documented by the Department with a written explanation of the emergency.((~~within the purview of this subchapter the Director or such other City officers or employees authorized by ordinance or rule to act in such event may make such purchases in the open market without advertisement at the best obtainable price regardless of the amount of the expenditure; and in determining the best price, such factors, among others, as quality, delivery terms, and service reputation of the vendor, may be considered; provided, that expenditures amounting to more than Ten Thousand Dollars ($10,000) per requisition shall be based on written contract; and provided, further, that a full explanation of the circumstances of such emergency shall be filed by the using agency with the Director.~~))

Section 10. Section 20.60.116 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.116 ((~~Items purchased by published price list.~~))Blanket Contracts

((~~In the~~))Following the solicitation requirements of this Chapter, the Director may enter into contracts for Goods or Services that allow Departments to place orders efficiently and as needed. Such contracts shall be termed "Blanket Contracts" and may be established for such needs as (1) routine, continuous, or repetitive needs; (2) resources for emergency events; (3) new innovations or products without a known estimated or predicted annual expenditure; (4) to support utilization of women or minority firms in accordance with the purpose of SMC 20.42.010; or (5) other City needs that may benefit from a Blanket Contract in the Director's opinion. ((~~purchase of supplies, materials, equipment or services needed continuously or repeatedly, including catalog or standard production items, the price of which is determined by published price lists, the Director may enter into "open-end," "blanket-order," or "price agreement" contracts.~~))

Section 11. Section 20.60.118 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.118 Leasing or rental of equipment((~~.~~))

The leasing and renting of equipment by ((~~the using agencies~~))Departments shall be contracted for by the Director, and be subject, where practicable, to competitive bidding.

Section 12. Section 20.60.120 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.120 Repair or maintenance of equipment((~~.~~))

((~~In the repairing~~))For repair or maintenance of City equipment ((~~where~~))that the City is not equipped or able to perform((~~the work, and when it is impossible to estimate the repairs necessary until such equipment is dismantled~~)), the Director may negotiate ((~~award~~))a contract ((~~or contracts~~))to ((~~those r~~))Responsible firms ((~~that he or she is convinced can do satisfactory repairing~~))and such contracts shall be exempt from SMC 20.60.106.

Section 13. Section 20.60.122 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.122 Inspection of deliveries((~~.~~))

A. Departments ((~~The Director~~))shall ((~~be responsible for the~~))inspect((~~ion of all~~)) deliveries of Goods ((~~supplies, materials, equipment,~~))and S((s))ervices ((~~within the purview of this subchapter,~~))and ((~~the~~))accept((~~ance thereof~~)) them as to conformance with ((~~the~~))contract specifications ((~~set forth in the order or contract~~)).

B. To facilitate such inspection, Department personnel ((~~employed by the using agencies and~~))having ((~~assigned~~))responsibility for receiving Goods ((~~supplies, materials, equipment,~~)) and ((s))Services may be designated as representatives of the Department((~~Director to make~~)) for

such inspections((~~and accept deliveries in accordance with rules and regulations prescribed by the Director~~)).

C. All Goods and ((~~such supplies, materials, equipment or s~~))Services shall be receipted for by an authorized Department((~~receiving clerk or by such designated~~)) representative ((~~in the using agency,~~))and a written report of such receipt shall be ((~~transmitted to the Director~~))recorded. No payment shall be made for ((~~any such supplies, materials, equipment, or~~))Goods or S((s))ervices unless((~~the same have been~~)) receipted and((~~a written report~~)) recorded((~~thereof has been made as provided in this section~~)).

D. ((~~The~~))Return or exchange of Goods ((~~any merchandise~~))received by a Department ((~~using agency~~))shall be handled((~~directly through~~)) by the ((a))Department((~~receiving clerk or such a designated representative in the using agency~~)), ((~~who~~))which shall obtain a credit memorandum from the firm that ((~~which~~))supplied the ((~~merchandise~~))Goods.

E. Invoices issued against Goods and Services,((~~such supplies, materials, equipment,~~)) leases, rentals, or repairs((~~or services~~)) shall be submitted to the ((~~Director~~))Department, ((~~who~~))which shall approve the same as to price, delivery, or work performed before any((~~voucher for~~)) payment shall be issued.

Section 14. Section 20.60.124 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.124 Reports of supplies on hand—Sale or transfer of surplus((~~.~~))

A. All ((~~using agencies~~))Departments shall ((~~submit to the Director,~~))maintain records ((~~at such times and in such form as he or she shall prescribe, reports~~))showing stocks of Goods ((~~supplies, materials and equipment~~))on hand awaiting use. When any Goods are found to be ((~~stock is~~))surplus or no longer of use to any ((~~using agency~~))Department, the Director may transfer it to another((~~or other~~)) government agency((~~ies which~~)) that has((~~have~~)) need for it, subject to adjustment between the agencies concerned. The Director may sell all((~~supplies, materials, and equipment~~)) Goods not needed ((~~for public use~~))or ((~~that may have become~~))unsuitable for ((~~public~~))Department use; provided, that,((~~except for computer equipment disposed of under subsection B,~~)) any such sale shall be based on competitive bids in the same manner required for purchases unless the Director ((~~shall~~))determines competitive bidding to be impracticable.

B. Notwithstanding any other provision of this code, the Director, the Director of the Department of Human Services, and the Director of the Department of Neighborhoods may dispose of surplus computer equipment in accordance with Ordinance 119145 as it now exists or as it may hereafter be amended.

Section 15. Section 20.60.126 of the Seattle Municipal Code, as last amended by Ordinance 121720, is repealed:

((~~**20.60.126 Testing of samples.**~~))

((~~The Director may prescribe chemical and physical tests of samples submitted with bids and samples of deliveries to determine their quality and conformance with the City's specifications. These tests may include tests which evaluate a product's ability to meet recycled content standard product specifications established in SMC Section 20.60.208. In the performance of such tests, the Director may use private testing laboratories. The costs of such tests shall be charged to the appropriate budget allowance of the using agency on whose behalf such test is made.~~))

Section 16. Section 20.60.130 of the Seattle Municipal Code, as last amended by Ordinance 121720, is repealed:

((~~**20.60.130 Examination of requisition—Brand and trade names.**~~

~~A. It shall be the duty of the Director to examine each requisition and specification submitted by any using agency and determine whether the same is clear and may be readily understood by prospective bidders and provides a sound basis for competitive bidding. When, in the judgment of the Director, any requisition or specification is vague, ambiguous or unduly restricts competitive bidding, he or she shall return the same to the using agency for clarification or modification.~~

~~B. The Director shall avoid, to all practicable extent, the use of brand or trade names as criteria for procurement of supplies, materials, equipment and services when, in his or her judgment,~~

~~such purchases can be accomplished to the greater advantage of the City through use of general specifications.~~))

Section 17. Section 20.60.132 of the Seattle Municipal Code, as last amended by Ordinance 121720, is amended as follows:

20.60.132 Contracting with Public Benefit Organizations ((~~sheltered workshops~~))—Exemption((~~.~~))

((~~Pursuant to and in accordance with RCW 39.23.005 and RCW 39.23.020, and notwithstanding the provisions of SMC Section 20.60.106, t~~))
The Director((~~is hereby authorized to directly~~)) may negotiate with Public Benefit Organizations for Goods and Services ((~~, and~~))without competitive bidding as otherwise required by SMC 20.60.106. ((~~to contract with qualified sheltered workshops for purchase of products manufactured or provided by sheltered workshops and programs and for the provision of janitorial services for City-owned facilities.~~)) Such purchases shall be made at the fair market price((~~of such product and services as determined by the City~~)) in the judgment of the Director.

Section 18. Section 20.60.140 of the Seattle Municipal Code, as last amended by Ordinance 123361, is repealed:

((~~**20.60.140 Escalation of dollar limits.**~~

~~A. All monetary amounts specified in Sections 20.60.106 and 20.60.110 shall be adjusted annually hereafter by the Director, consistent with the formula described in Section 20.50.120 for adjustment of the consultant selection threshold, so that the thresholds for competitive bidding for purchases and consultant selection are maintained at the same amount.~~

~~B. The monetary amounts specified in Section 20.60.112 shall be adjusted every five years by the Director following publication of the preceding year's annual Consumer Price Index. Monetary amounts shall be adjusted by the percentage change for the five year period ending in the preceding year in the annual Consumer Price Index for all urban consumers (CPI-U) Seattle-Tacoma-Bremerton, WA metropolitan area, All Items (1982-84 = 100), or a successor index thereto, 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 20.60.112 shall be rounded upwards to the nearest thousand.~~))

Section 19. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the ____ day of _____, 2014, and signed by me in open session in authentication of its passage this _____ day of _____, 2014.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2014.

_____

Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

_____

Monica Martinez Simmons, City Clerk

(Seal)

Form revised: December 12, 2012

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
FAS	Lisa Peyer, 4-0503	Jennifer Devore, 5-1328

Legislation Title: AN ORDINANCE relating to City procurement, deleting obsolete language, and updating definitions, authorities, practices, and requirements; amending Sections 20.60.100, 20.60.101, 20.60.102, 20.60.106, 20.60.110, 20.60.112, 20.60.114, 20.60.116, 20.60.118, 20.60.120, 20.60.122, 20.60.124, and 20.60.132; and repealing Sections 20.60.108, 20.60.126, 20.60.130, and 20.60.140 of the Seattle Municipal Code in connection thereto.

Summary of the Legislation:
This legislation amends language related to City purchasing and procurement that is found in Seattle Municipal Code Chapter 20.60 to bring it up to date with current practices and procedures. Specifically, the proposed legislation updates language to conform to commonly understood procurement nomenclature; clarifies cooperative purchasing authorities; makes clear how procurement estimates are calculated to determine bid thresholds; recognizes Requests for Proposals as an accepted procurement method; deletes obsolete sections of the Code that are no longer necessary; and assigns departments with responsibility for receiving, inspecting, invoicing, handling, and tracking their purchases.

Background:
Chapter 20.60, which was originally enacted in 1973, has had minor changes incorporated, but has not undergone a major update since that time. The purpose of this legislation is to clarify intended procurement authorities, authorize modern procurement practices that are not currently recognized in the Seattle Municipal Code, clarify language and intent for better readability, and provide greater transparency in City procurement.

Please check one of the following:

__x__ **This legislation does not have any financial implications.**

____ **This legislation has financial implications.**

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**

This legislation clarifies purchasing practices and authorities which could result in more

efficient practices and, therefore, some minor cost savings.

b) What is the financial cost of not implementing the legislation?

None.

c) Does this legislation affect any departments besides the originating department?

Yes. It affects all City departments that purchase goods and services but as it does not significantly change purchasing rules and regulations, it should not have a significant effect on those departments.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None.

e) Is a public hearing required for this legislation?

No.

f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

g) Does this legislation affect a piece of property?

No.

h) Other Issues:

List attachments to the fiscal note below:

City of Seattle
Office of the Mayor

December 10, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill, which amends Seattle Municipal Code Chapter 20.60 by clarifying language to better reflect the City's current procurement practices and procedures. While related sections of the code have had minor changes incorporated over the years, significant modifications have not been made since 1973.

Specifically, the proposed legislation updates language to conform to commonly understood procurement nomenclature; clarifies cooperative purchasing authorities; makes clear how procurement estimates are calculated to determine bid thresholds; recognizes Requests for Proposals as an accepted procurement method; deletes obsolete sections of the Code that are no longer necessary; and assigns departments with responsibility for receiving, inspecting, invoicing, handling, and tracking their purchases.

Passage of this legislation will improve the overall understanding of the City's current procurement-related practices as reflected in the Seattle Municipal Code. Thank you for your consideration of this legislation. Should you have questions, please contact City Purchasing and Contracting Services Director Nancy Locke at 684-8903.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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