

RESOLUTION 2012/002

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MONROE, WASHINGTON, AMENDING PROCUREMENT
POLICIES AND PROCEDURES.**

WHEREAS, the City Council has determined that it is in the best interests of the City to specify policies and procedures for the procurement of goods and services in order to clarify the authority and responsibilities of procurement officials and to provide for an efficient and legally compliant procurement system; and

WHEREAS, the City wishes to include the use of Procurement Cards in the Procurement Policies and Procedures; and

WHEREAS, from time to time certain procedures and thresholds need to be updated to reflect current situations and practices;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONROE,
WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. The City Council of the City of Monroe hereby amends the "Procurement Policies and Procedures", dated September 15, 2009, a copy of which is attached as Exhibit A and incorporated herein by this reference as if set forth in full.

PASSED by the City Council of the City of Monroe, at its regular meeting thereof and APPROVED by the Mayor this 24th day of January, 2012.

CITY OF MONROE, WASHINGTON

EFFECTIVE: 01/24/12


Robert G. Zimmerman, Mayor

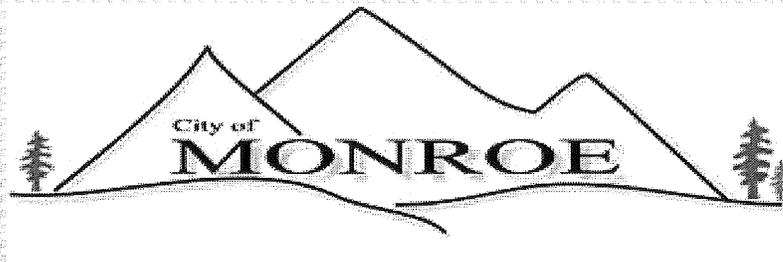
ATTEST:


Eadye Martinson, Deputy City Clerk

APPROVED AS TO FORM:


J. Zachary Lell, City Attorney

City of Monroe



Procurement Policies & Procedures

January 24, 2012

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2 Policy

In order to reduce costs and ensure compliance with State laws and regulations, all purchases and services obtained by City of Monroe employees, including but not limited to materials, equipment, supplies, maintenance, professional services, non-professional services, and architectural and engineering services, shall comply with the following procedures.

All contract approvals and directly related purchasing actions taken through the effective date of this policy are hereby expressly ratified.

3 Definitions

- a. "Architectural and Engineering services" means services rendered by any person, other than a city employee, to perform activities within the scope of the professional practice of architecture RCW 18.08, professional practice of engineering and land surveying RCW 18.43, and/or professional practice of landscape architecture RCW 18.96.
- b. "Bid splitting" means breaking a public work project or purchase of equipment, op= or supplies into segments. The city may not break a public works project to avoid compliance with bidding statutes. RCW 35.22.620.
- c. "Contract" means a contract in writing for the execution of a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process in RCW 39.04.155.
- d. "Formal competitive bid" is the process of advertising and receiving sealed written bids from prospective vendors. The selection of the vendor is primarily based on the lowest cost from a responsible vendor
- e. "Informal competitive quotes" are price quotes from vendors that are obtained using a variety of mediums such as phone, fax, e-mail, or writing. Results must be documented and submitted to the Finance Department. The selection of the vendor is primarily based on the lowest cost from a responsible vendor.
- f. "Interlocal agreements" are the exercise of governmental powers in a joint or cooperative undertaking with another public agency.
- g. "Non-professional Services" are services purchased by the city in which the contractor receives specific instructions and guidance from the city and does not meet the definition of professional services. Non-professional services include janitorial, debt collection, equipment service agreements, machine repair, temp services or delivery services.
- h. "Ordinary maintenance" is work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, seasonally, semiannually, but not less frequently than once per year), to service, check or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.
- i. Professional services" are services provided by consultants that provide highly specialized generally one-time expertise to solve a problem or render professional opinions, judgments, or recommendations. Examples include Graphic Design, Advertising, Consulting, Attorneys and Real Estate Services. However, this does not include architectural or engineering services.

- j. "Public work," as defined in RCW 39.04.010, means a complete project, and includes all work, construction, alteration, repair, or improvement other than ordinary maintenance executed at the cost of the city or which is by law a lien or charge on any city property. Public work projects include the related materials, supplies, and equipment to complete the project.
- k. "Purchase Order" is a document which authorizes the delivery of specified merchandise or the rendering of certain services and the marking of a charge for them. The City of Monroe is guaranteeing payment when a purchase order is provided to a vendor.
- l. "Request for Proposal (RFP)" means a process that requests interested firms to submit a statement of their proposal for completing a project. Proposals are evaluated based upon the suitability, practicality, quality of the proposal and experience and cost.
- m. "Small Works Roster" is a roster of qualified contractors maintained for use in a modified formal bid process. When the contract amount for a public works project is \$300,000 or less, the city may follow the small works roster process for construction of a public work or improvement as an alternative to formal competitive bid requirements.
- n. "Sole Source Supplier" occurs when competition among potential vendors is not possible for a particular procurement. These situations may occur: (a) when there is clearly and legitimately only one source capable of supplying the subject matter in a time fashion; (b) when there are special facilities or market conditions that result in only one source, (c) in the event of emergencies; and (d) when there is only one source capable of supplying the subject matter in a timely fashion such that seeking competitive prices would be impractical. Requires Council Approval.

4 Procurement of Goods and Services

4.1 General Provisions

1. Budget Sufficiency.
Each Department Director must ensure that purchases are initiated only when the departmental budget is sufficient to cover the anticipated cost. Expenditures that exceed departmental appropriations require a budget amendment approved by City Council. Requests for budget amendments must be submitted in writing, and shall be approved by the requesting Director or Manager and forwarded to the City Administrator and Finance Director for review prior to being forwarded to the City Council for approval.
2. Financing: If a department is requesting financing for equipment or vehicles, it is necessary to work with the Finance Director. Financing documentation shall be included as part of documentation for City Council approval to authorize Mayor or designee to sign loan documents.
3. Federal or State Funds.
When procurement involves the expenditure of state or federal funds or grants, purchasing shall be conducted in accordance with any applicable federal or state laws or regulations and applicable fund or grant contractual provisions.

4. Breaking Down or Splitting Purchases.
The breaking down or splitting of any purchase or contract into units or phases for the purpose of avoiding the maximum dollar amount is prohibited.
5. Signature Authority.
The Mayor may delegate, in writing, the signature authority provided in this policy to other city employees as deemed appropriate.
6. Cost.
Purchase cost includes sales tax, delivery charges and any related miscellaneous charges.
7. Local businesses should be encouraged to submit bids on city procurements that are open to everybody. When determining the lowest bid on purchase of supplies, materials or equipments, the city may, whenever indicated in advance, take into consideration sales and/or B&O tax revenue it would receive from a supplier located within its boundaries pursuant to RCW 39.30.040.”

4.2 Purchasing Limitations

1. Expenditures are required to be included in the annual budget.
2. Purchase limitations apply to the cost of individual items or the sum of the same items purchased at the same time to fulfill a specific business need, which are not part of a public work project as defined by RCW 39.04.010. Cost is inclusive of sales tax, delivery charges and any related miscellaneous charges.
3. The Mayor or designee may execute architectural and engineering services, professional services, and non-professional services contracts, up to \$10,000, as long as the contract is consistent with the adopted budget.
4. Services contracts greater than \$25,000 require Council authorization.
5. Contracts of any amount that are not consistent with the adopted budget require Council approval.
6. Initial Interlocal agreements of any amount with governmental agencies require Council authorization. The Mayor or designee up to \$10,000 may execute renewal or extension of existing contracts with governmental agencies, if the contract is consistent with the adopted budget. Renewal or extension of existing contracts and agreements with governmental agencies above \$10,000 require Council authorization.
7. The Mayor or designee may present any contract to the Council for approval even if the contract is not required to be approved by the Council.

City purchases are subject to authorization & quote/bid requirements as follows:

4.2.1 Public Work Projects (RCW 35.23.352)

4.2.1.1 *Plans and Specifications*

The preparation of plans and/or specifications and an estimate of project cost shall be authorized by the City Administrator for projects up to \$100,000 and by the City Council for larger projects.

4.2.1.2 Construction

4.2.1.2.1 One Craft or Trade

- ≤\$ 15,000 No competitive bids required, Department selection
- > \$ 15,000 - ≤\$30,000 3 informal competitive quotes, Department selection
- > \$30,000 - ≤\$60,000 3 written informal competitive quotes, City Administrator approves.
- > \$60,000 – ≤\$300,000 Small Works Roster, City Administrator approves
- > \$300,000 Competitive sealed bid; City Administrator or Mayor approves / Council awards

4.2.1.2.2 Two or more Crafts or Trades

- ≤\$ 15,000 No competitive bids required, Department selection
- > \$ 15,000 - ≤\$30,000 3 informal competitive quotes, Department selection
- > \$30,000 - ≤\$95,000 3 written informal competitive quotes, City Administrator
- > \$95,000 - ≤\$300,000 small works roster, City Administrator.
- > \$300,000 Competitive sealed bid; City Administrator or Mayor approves / Council awards.

4.2.1.3 Change Orders

For contracts equal to less than \$100,000:

All change orders are reviewed and approved by department

For contracts over \$100,000:

All change orders reviewed by department

When change order cumulative total exceeds 3% of the original award authorization amount, approval by Project Manager.

When change order cumulative total equal to or less than 5% of the original award authorization amount, approval by department director

When change order cumulative total exceeds 12% of the original award authorization amount, approval by City Administrator.

When change order cumulative total exceeds 15% of the original award authorization amount, approval by Mayor required.

When change order cumulative total exceeds 18% of the original award authorization amount, approval by City Council.

4.2.1.4 Prevailing Wage Laws

Public work projects and maintenance, when performed by contract, are governed by chapter 39.12 RCW, Prevailing Wages on Public Works regardless of contract amount. It is the responsibility of the contracting employee to notify the vendor of prevailing wage requirements and obtain compliance documentation prior to awarding any public work or maintenance contract. Public work and maintenance contracts will only be awarded to contractors who document compliance with the Washington State Prevailing Wage Law. The department head or designee managing the project is responsible for collecting ongoing compliance documents. If a contractor is found to be in violation of prevailing

wage laws by the Department of Labor and Industries, the City will have to withhold payment from that contractor.

4.2.2 Architectural, Landscape Architecture and Engineering Services: (RCW 39.80)

Procedures set forth in RCW 39.80 shall be followed for contracts for architectural and engineering services.

≤\$20,000 Selected based on qualifications, Mayor approves

>\$20,000 Selected based on qualifications, Council awards

4.2.3 Professional and Non-Professional Services

< \$10,000 3 informal competitive quotes, Mayor or designee approves

>\$10,000 formal request for proposal process, City Administrator & Mayor approves / Council awards

4.2.4 Purchases of Materials, Supplies and Equipment

≤\$ 5,000 No Competitive Bids Required, Department Head Approves

>\$ 5,000 - ≤\$ 7,500 3 informal competitive quotes in writing, Dept Head & City Administrator Approves

>\$7,501 - ≤\$15,000 At least 3 written informal competitive quotes from vendor lists as authorized by RCW 39.04.190, Dept Director, City Administrator & Mayor Approves

Vendor lists must be solicited at least twice per year in a newspaper of general circulation.

Immediately after award from a vendor list, all bid quotations must be recorded and made open to public inspection, including in response to telephone inquiries.

At least every two months, the City must post a list of contracts awarded from vendor lists. The list must contain the name of the vendor, the amount of the contract, a brief description of items purchased, and the date of the award.

>\$15,000 Formal competitive bid or State bid required, City Administrator approves, and Mayor awards bid, provided Council has authorized the expenditure through the budget.. If expense is not included in the budget, then City Administrator & Mayor approve and Council awards bid.

4.2.5 Miscellaneous:

A lease of property with option to purchase that is valued at more than \$15,000 shall be subject to competitive bid as required by RCW 35.42.220.

Bids are required for contracts for the City's official newspaper as required by RCW 35.23.352(7).

4.3 **Bid Procedures**

The following shall apply for public work contracts and when formal bidding is required for the purchase of materials, supplies or equipment, except as otherwise noted:

- To ensure consistency and fair process, the City will use standard forms, documents, contracts, and terms and conditions, when practical. The City's Project Coordinator will maintain templates for bid-related documents for use by departments when practical. The City will use an evaluation selection committee to promote an open, proper selection. The requesting department director will appoint committee members to act in an advisory capacity.
- Minimum qualifications and/or specifications are stated to ensure bids address the needs of the City. Minimum qualifications cannot be used to eliminate qualified contractors and vendors. Minimum qualifications should be tested against the marketplace to ensure they aren't overly restrictive.
- When practical for public works contracts, the City will conduct a pre-bid conference to allow a thorough discussion of the City's intent, scope, specifications, and terms. Interested companies should be encouraged to attend.
- Selection of a winning offer is based primarily on lowest responsive bid. Quality and expertise, however, must be a consideration.

4.3.1 **Formal Competitive Bid(RCW 35.23.352(1)):**

1. Publication of Notice.
After City Administrator authorization, the requesting department director (or designee) will publish the Call for Bids for sealed bids in the official newspaper or a newspaper of general circulation most likely to bring responsive bids and ensure notice is posted on the City web page, at least 13 days prior to bid submittal deadline.
2. Notice Contents for Public Works Contracts. Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice for public works must include:
 - a. Project title;
 - b. Nature and scope of work;
 - c. Where contract documents (plans and specifications) can be reviewed or obtained;
 - d. Cost to obtain a set of contract documents;
 - e. Place, date, and time that bids are due;
 - f. Place, date and time that bid will be opened.
 - g. Statement that a bid bond must accompany the bid;
 - h. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process;
 - i. Statement that the contract involves "public work," and that workers shall receive the prevailing rate of wage pursuant to the Prevailing Wages on Public Works Act (Chapter 39.12 RCW);
 - j. List of the applicable prevailing wage rates or prevailing wage statement;
 - k. Statement that the City is an equal opportunity employer and invites responsive bids from all qualified responsible bidders.

1. The materials and equipment to be furnished, if any.
3. Notice Contents for Purchases of Materials, Supplies or Equipment, Notice (or advertisement) for bids should contain definite specifications and procedures for bidders to use to estimate their bids. At a minimum, a bid notice must include:
 - a. Name and description of requested items;
 - b. Where contract documents (plans and specifications), can be reviewed or obtained;
 - c. Cost to obtain a set of contract documents;
 - d. Place, date, and time that bids are due;
 - e. Statement that the City retains the right to reject any and all bids and to waive minor irregularities in the bidding process; Place, date and time that bid will be opened.
4. Bid Opening.

Bids are submitted to responsible department head or designee, where they are time and date stamped and processed. The bids shall be opened at the time and place specified in the advertisement for bids.

5. Report on Bids.

The responsible department head or designee will prepare a report and recommendation on all bids received to the decision maker with the authority to approve the contract.

6. Bid Award.

The City shall award the contract to the lowest responsible bidder or shall have power by Council resolution to reject any or bids and to make further calls for bids in the same manner as the original call.

7. Bid Bonds for Public Works Contracts

Upon award of a public works contract or rejection of all bids, bid bonds shall be returned to the unsuccessful bidders. The successful bidders bid bond or deposit shall be retained until the bidder enters into a contract with the City and furnishes a performance bond in the full amount of the contract price.

4.3.2 Small Works Roster (RCW 39.04)

RCW 39.04.155 provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property. The Small Works Roster may be used for public work projects valued below \$300,000 in lieu of formal bidding. Use of the Small Works Roster allows the City to avoid the advertisement requirements of the formal competitive process. All other bidding requirements are the same.

The Washington State Municipal Research Services Center ("MRSC") compiles small works rosters for cities and counties throughout the State of Washington. The City of Monroe has contracted with MRSC to use its small works rosters for public works contracts valued below \$300,000.

1. Invitations for Quotations.

Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This

subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.

2. Number of contractors invited.
Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. However, if the estimated cost of the work is from one hundred thousand dollars to two hundred thousand dollars, a state agency or local government that chooses to solicit bids from less than all the appropriate contractors on the appropriate small works roster must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought.
3. Vendors/contractors selected from the Small Works Roster are not relieved from observing applicable legal requirements such as Performance Bond, Prevailing Wage, Labor and Material Bonding, etc.
4. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.
5. As required by RCW 39.04.200, every even numbered month, the City must post a list of contracts awarded from the small works roster over at least the previous two months. The list must contain the name of the contractor, the amount of the contract, a brief description of the type of work performed, and the date of the award.

4.3.2.1 Limited Public Works Process (RCW 39.04.155(3))

For public work projects with an estimated cost of less than \$35,000, the city may use the limited public works process in lieu of the small works process.

1. Invitations for Quotations.
Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. This subsection does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.
2. Number of contractors invited.
Quotations shall be invited from a minimum of three contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder.
3. Notification of Award.
After an award is made, the quotations shall be open to public inspection and available by electronic request. The city shall maintain a list of the contractors contacted and the contracts awarded during the previous twenty-four months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

4. Vendors/contractors selected using the Limited Public Works Process are required to comply with prevailing wage and insurance requirements.

4.3.3 Exemptions to competitive bidding requirements

Section 39.04.280 RCW provides uniform exemptions to competitive bidding requirements utilized by municipalities when awarding contracts for public works and contracts for purchases.

4.3.3.1 *Purchases that are clearly and legitimately limited to a single source of supply (Sole Source Vendor):*

If, after conducting a good faith review of available resources, the requesting department director determines that there is only one source of the required materials, supplies, or equipment, a purchase contract may be awarded without complying with established bid requirements. The requesting department director will submit a written request for sole source procurement to the Mayor/Council for approval, and conduct price, terms, and delivery negotiations, as appropriate. The vendor must certify in writing that the City is getting the lowest offered price.

The City Council shall approve all sole source purchases by resolution that identifies the factual basis for the sole source justification and concludes that "the purchase is clearly and legitimately limited to a single source or supply. A sole source resolution shall not be required in case of emergency, under the terms and conditions specified in RCW 39.04.280(2)(b) and (c). On-going sole source purchases of materials, equipment and supplies should be reviewed annually to ensure the pricing is still the lowest price for the city and that the conditions that justify the sole source purchase still exist.

4.3.3.2 *Purchases involving special facilities or market conditions:*

RCW 39.04.280(1)(b) authorizes the City Council by resolution to waive established bidding requirements if an exceptional opportunity arises to purchase favorably-priced equipment or supplies or used goods that will be sold before the City can conduct the bid process. The resolution must set forth the factual basis for the special market conditions.

4.3.3.3 *Auctions:*

RCW 39.30.045 authorizes the City to acquire supplies, materials, and equipment through an auction conducted by an agency of the State of Washington, an agency of the United States, any municipality or other government agency, or any private party if the items can be obtained at a competitive price.

4.3.3.4 *Surplus Property:*

The City may acquire surplus property from another government without the use of competitive quotes or bids (RCW 39.33.010), when it is possible to procure obvious bargains through the procurement of surplus or distress material, supplies or equipment. The requesting department director will submit a written request for procurement to the mayor for approval, and conduct price, terms, and delivery negotiations, as appropriate.

4.3.3.5 *Purchases in the event of an emergency:*

"Emergency" is defined as "...unforeseen circumstances beyond the control of the municipality that either: (a) Present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily

injury, or loss of life if immediate action is not taken.” If an emergency situation has been declared, the Mayor or designee may make or authorize others to make emergency procurements of materials, supplies, equipment, or services without complying with the requirements of this section when there exists a threat to public health, welfare, or safety or threat to proper performance of essential functions; provided, that such emergency procurements shall be made with such competition as is practical under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor/vendor shall be included in the contract file. As soon as practical, a record of each emergency procurement shall be made and shall set forth the contract’s name, the amount and type of the contract, and listing of the item(s) procured under the contract, which shall be reported to the Council at the next subsequent meeting. Purchase order(s) must be properly documented as pertaining to an emergency as soon as possible following the event. If a contract is awarded without competitive bidding due to a declared emergency, the City Council must adopt a resolution certifying the emergency situation existed no later than two weeks following the award of the contract. The persons authorized to issue an emergency proclamation under MMC 2.60.090, in the same order of succession, are authorized to declare an emergency for purposes of this bidding exemption.

4.3.3.6 Interlocal Agreements

The city may enter into Interlocal agreements with other public agencies similarly authorized under RCW 39.34.030. State law in regard to competitive bidding shall govern any cooperative purchasing agreement. The competitive bid process of the original jurisdiction may substitute for Monroe’s if consistent with the bidding laws that apply to Monroe. “Piggybacking” on other jurisdiction bids requires an interlocal agreement. All Interlocal cooperative-purchasing agreements shall be presented to Council for approval.

The City of Monroe may be able to realize savings through quantity purchasing with the following organizations:

1. US Communities Shared Purchasing.
US Communities is a national collective of local and state agencies that have gathered together under a non-profit to bid on items for shared purchasing. The City of Monroe has registered with US Communities, allowing the City to use any US Communities contract that meets our needs.
Cities and counties from around the country bid the US Communities contracts. They are all subject to bid laws that are similar to those in Washington, and they conduct competitive sealed bids or proposals in much the same way, if not exactly the same way, as we do in Washington. However, use the same care to review the US Communities contracts to verify that they do not violate the City’s Procurement Policies and Procedures or Washington State law. All US Communities purchasing agreements shall be presented to Council for approval.
2. Office of State Procurement (OSP).
The City of Monroe may be able to realize savings through the OSP’s quantity purchasing. Use of OSP requires an Interlocal agreement with the State of Washington approved by the City Council.

4.3.3.7 No Bids or Quotations Received

When no responsive bids or quotations are received in response to an invitation to bid or request for quotations, the department director or his/her designee is authorized to procure the required item through direct negotiations with a vendor or to rebid, or do the project with City employees for public works contracts, as the Mayor or City Administrator deems appropriate.

4.3.3.8 Electronic Data Processing or Telecommunication Equipment, Software or Service

Purchases of these items if greater than \$7,500 may be procured under a competitive negotiation process as an alternative to the bid process. Competitive negotiation procedures shall comply with the requirements of RCW 39.04.270.

4.4 Travel

All expense payments or reimbursements for travel and/or subsistence expenses must meet the requirements set forth in the City of Monroe Travel Policy, which establishes policy and procedure related to obtaining travel authorization, advance travel funds, and expenditure or reimbursement for travel and subsistence expenses incurred in conduct of business of the City. Refer to the City of Monroe Meeting, Travel & Meal Policy 2003-017 for details.

5 Payment Processing

5.1 Approvals

Vendor invoices shall be signed for approval by the department head or designee. Reimbursements payable to City employees shall be signed for approval as follows: (Employees may not approve their own reimbursement.)

- Council - approved by the Mayor, City Administrator, or designee.
- Mayor – approved by the City Administrator or designee.
- City Administrator – approved by the Mayor or designee.
- Department Head – approved by the City Administrator or designee.
- Other employees – approved by the Department Head or designee.

5.2 Accounts Payable

Original Invoices that are received by accounts payable will be date-stamped and routed to department heads weekly. Other invoices may be received directly by the department head or other staff, such as when items are picked up at will-call or services are performed on-site. For all invoices, department heads or designees will verify that the invoiced items have been received and that the invoiced amount is correct. The accounts payable original invoices should be stamped with the correct account coding and have a required authorized approval signature added. The approved invoice will be routed to accounts payable for payment. There are two accounts payable check cycles scheduled each month, on the 1st and 3rd Council meetings of each month, unless the date falls on a holiday. The Finance Director or designee audits the bills prior to City Council meetings ensuring the correct coding of the bills, authorization approvals, and proper documentation prior to Council approval. The Finance Director or designee approval is required before bills can be paid

5.2.1 Purchase Orders

Purchase orders are to be used for all purchases and contracts greater than \$10,000. A Request for a Purchase Order form must be completed and signed by the Requestor, and approved by the Department Director or Manager.

Following approval, a copy of the signed purchase order request is forwarded to Accounts Payable.

5.3 Pre-Council Meeting Checks

Departments should avoid requests for pre-Council meeting checks by submitting approved invoices to Accounts Payable as soon as invoices are received. If extenuating circumstances exist, a check may be issued to avoid incurring penalties, interest, or late charges. Recurring invoices for utilities, PUD, PSE and telephones may be paid early to avoid penalties or late fees.

5.4 Credit Cards

In accordance with RCW 43.09.2855, local governments are authorized to use credit cards or procurement cards for official government purchases and acquisitions. Cash advances on credit cards or procurement cards are prohibited. Credit cards and procurement cards may not be used to purchase alcoholic beverages. It will be the responsibility of each department manager to assign credit cards or procurement cards to employees that need them for city operations. Refer to the City of Monroe Meeting, Travel & Meal Policy 2003-017 for details regarding credit card usage when traveling.

5.4.1 Bank-Issued Credit Cards

Bank-issued credit cards shall have a limit of \$5,000. Department Directors shall determine credit card limits for their department employees.

5.4.2 Store-Issued Credit Accounts

The city discourages the practice of requesting new charge accounts from vendors unless the vendor will not accept a purchase order or check on delivery and the city will realize cost savings or has time constraints. It is the city's preference for employees to use the procurement cards whenever possible. Store-issued credit cards shall have a limit of \$5,000.

Individual store credit limits may be modified by City Council resolution upon finding that special circumstances necessitate the higher amount.

5.5 Petty Cash

Petty cash funds cover minor disbursements. Employees may be reimbursed from petty cash funds for authorized purchases that do not exceed the established petty cash limit. Refer to the City of Monroe Petty Cash Policy 99-021 for details.