

## I. CITY PURCHASING DIVISION CODE OF ETHICS

The public must have confidence in the integrity of its government. The purpose of this Code of Ethics is to apply and give guidance to all Purchasing Division employees so that they may conduct themselves in a manner which will be compatible with the best interest of themselves and of the City of Yakima.

### ***Proper operation of the City Purchasing Division requires that:***

- Actions of Purchasing Division employees be impartial and fair.
- Government decisions and policies be made in the proper channels of government structure.
- Public employment not be used for personal gain.
- Purchasing Division employees may neither solicit, accept, nor agree to accept any gratuity for themselves, their families or others that results in their personal gain which may affect their impartiality in making decisions on the job. Discounts or concessions realistically available to the general population, items received that do not result in personal gain, and samples to the City used for general City use are examples of items that are not gratuities. Personal judgment should be used and questions regarding particular problems/events should be referred to the employee's manager.

### ***Goals:***

- To protect and enhance the reputation of the City of Yakima and its employees.
- To treat all residents equally with courtesy and impartiality, and refrain from granting any special advantage to any resident beyond what is available to all residents.
- To give efficient, productive, and economic service to the public.
- To avoid real or potential conflicts between private and public duties, remembering that the public interest must be the principal concern.
- To keep confidential all information acquired by reason of one's position, which may not be used for personal or financial gain for the employee or other persons.
- To refrain from securing special privileges or exemptions for one's self or other persons that are not available to all residents.
- To avoid receiving, soliciting or otherwise obtaining anything of value that is greater than nominal intrinsic value from any other public official, employee or resident which is intended to influence the performance of official duties.

- To disclose to the appropriate authority the nature and extent of any financial or personal interest in a City contract, legislation, or in any type of transaction involving the City when participating in the development of or giving an official opinion on the matter.

## II. REQUISITION APPROVAL LIMITS AND SIGNATURE AUTHORITY

See “City of Yakima ADM 2-200” on ICE for Delegation of the City Manager’s Authority to approve requisitions (which are routed automatically through Cayenta) and sign contracts.

**Department Heads and Division Managers DO NOT have the authority to sign contracts UNLESS** the City Council has delegated authority over to you via Resolution. Only the City Manager (or authorized designee) has the authority to sign contracts. See Definitions Section “XIX” to determine what constitutes a “Contract”.

## III. PURCHASE ORDERS

Only Purchasing has the authority to produce and sign official Purchase Orders for the City of Yakima. If you need a hardcopy of a PO for any dollar amount (some vendors require a hardcopy, even for a \$100 purchase), contact Purchasing and we will electronically sign and email it to you.

### A. WHICH TYPE OF PURCHASE ORDER TO USE

There are several different types of PO’s. Choose which one is right for you:

- 1) **Direct PO’s** – Reserved for the use of Equipment Rental & Water Storekeepers, and Purchasing Buyers. Cayenta Department Buyers do not have the authority to use Direct PO’s.
- 2) **Direct Pays** – Are to be used only for:
  - a. Subscriptions (e.g. magazine, newspaper, dues, etc. – not software).
  - b. Utility bills (power, sewer, garbage, phone, water, etc.).
  - c. Credit Invoices.
  - d. Employee reimbursement for tools, uniforms, boots, and CDL’s.
  - e. Pension Payments

NOTE: For unusual circumstances and exceptions, contact the Finance Director.

- 3) **Blanket PO’s** - Not allowed.
- 4) **Regular PO’s** (PREFERRED). PR’s go through the MLA process and get turned into regular PO’s.
- 5) **Reverse Regular PO** - A regular PO with the quantity set as the dollar amount and the dollar amount set as “ONE”, therefore they are reversed. Partial receiving against the PO may be done as invoices are received throughout the year and your PO will show a remaining balance. MLA is only done once. Funds are encumbered upon PO creation.
- 6) **Do not use a PO when it makes more sense to use a PCard.**  
Some examples including, but not limited to:
  - a. Small dollar items - Less than \$2,500 (Per Yakima Administrative Policy 2-200 Delegation of Authority, the authorized department buyer limit is \$0 to \$2,500)

- b. Routine or repetitive (e.g., subscriptions, or renewals)
- c. Purchases from online vendors or point of sale (retail vendors)

## IV. GRANT & FEDERAL FUNDING

Purchases or Work that have received a grant or federal funding may not be covered by this manual. **These types of purchases often have their own procurement requirements.**

Contact Purchasing for advice on how to proceed. We will review the procurement section of your specific grant and guide you on what steps to take next.

The federal procurement standards for Non-Federal Entities (NFE) are described in Title 2 of the Code of Federal Regulations (C.F.R.), Part 200, sections 200.317 - 200.327. The Federal Emergency Management Agency (FEMA) provides financial assistance to state, territories, tribes, local governments, nonprofits, institutions of higher education, and other non-Federal entities. All FEMA grant programs are also subject to the Federal procurement standards found at 2 C.F.R 200.317-200.326. The City is a non-federal entity as defined in 2 C.F.R. 200.69-

Where the Federal procurement standards do not address a particular area of procurement, FEMA expects the non-Federal entity (here the City of Yakima) to apply local, state, and/or tribal procurement standards or regulations – whichever applies to the particular NFE. However, where a direct conflict exists between a Federal procurement standard and a local, state and/or tribal procurement standard or regulation, FEMA expects the City to apply the more restrictive procurement standard.

### [2 C.F.R 200 Subpart D](#)

### [Procurement Rules for FEMA Awards](#)

When procuring property and services under a Federal award, the City will follow 2 CFR 200.318 General Procurement Standards through 200.326 Contract Provisions. The City will comply with all applicable federal procurement requirements related to federal funding. When local, state and federal rules differ, the city will follow the rule that allows for compliance with all applicable layers. The sections below are an overview, and if applicable, the city will apply to all federally funded procurements.

**2 C.F.R 200.318 – General procurement standards.** The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations, for the acquisition of property or services required under a Federal award or subaward

**2 C.F.R 200.319 – Competition.** All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with the standards of this section and 200.320. Including, but not limited to; Ensuring objective contractor performance; Conducting procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference; Have written procedures for procurement transactions; Ensure that all prequalified lists of

persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition; and Noncompetitive procurements can only be awarded in accordance with 200.320.

**2 C.F.R 200.320 – Methods of procurement to be followed.** The non-Federal entity must have and use documented procurement procedures, consistent with the standards for Informal procurement methods when the value of the procurement for property or services under a Federal Award does not exceed Simplified Acquisition Threshold. However, when the value of procurement for property under a Federal Grant exceeds Simplified Acquisition Threshold or a lower threshold established by the non-Federal entity, formal procurement methods are required. Noncompetitive procurement can only be used if one or more apply: Aggregate dollar amount does not exceed the micro-purchase threshold; Item is a single source; Delay resulting from competitive solicitation; Authorized noncompetitive procurement; Competition is determined inadequate after numerous attempts.

**2 C.F.R 200.321 – Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms.** The non-Federal entity must take all necessary affirmative steps to assure that minority business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include: Placement of qualified firms on solicitation lists; Assurance that firms are solicited whenever they are a potential source; Dividing requirements, when feasible, into smaller tasks to permit maximum participation; Using services and assistance, as appropriate, from firms; Requiring prime contractors subcontracts to follow same steps.

**2 C.F.R 200.322 – Domestic preferences for procurements.** As appropriate and to the extent consistent with law, the non-Federal Entity should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products) Federal agencies providing Federal financial assistance for infrastructure projects must implement the Buy America preference.

**2 C.F.R 200.323 – Procurement of recovered materials.** The non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act. Which requires procuring only items designated in guidelines of the Environmental Protection Agency (EPA) that contain the highest percentage of recovered materials practicable with regards to recovered materials.

**2 C.F.R 200.324 – Contract Cost and price.** The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of Simplified Acquisition Threshold including contract modifications. Negotiating profit is a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. Cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

**2 C.F.R 200.325 – Federal awarding agency or pass-through entity review.** The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. Technical specifications are generally reviewed prior to incorporation into solicitation. Request for review after solicitation has been developed is usually limited to the technical aspects of the proposed purchase.

**2 C.F.R 200.326 – Bonding requirements.** For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the bonding policy and requirements of the City may be accepted provided that the Federal awarding agency or pass-through entity has decided that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows: A bid guarantee, a performance bond and payment bond.

**2 C.F.R 200.327 – Contract provisions.** The non-federal entity's contracts must contain the applicable provisions described in 2 C.F.R Part 200, Appendix II. The city will include all applicable clauses in awarded contracts.

- A. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.
- B. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60–1.3 must include the equal opportunity clause provided under 41 CFR 60–1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964–1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
- C. Davis-Bacon Act, as amended (40 U.S.C. 3141–3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141–3144, and 3146–3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
- D. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708) Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working

conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- E. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or [78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014; 85 FR 49577, Aug. 13, 2020]research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- F. Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the
- G. Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220 must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- H. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

**2 C.F.R 180.220 – Covered Transactions (Debarment and Suspension).** The city will not award, sub-award, or contract with any supplier that is debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

(a) Covered transactions under this part; (1) Do not include any procurement contracts awarded directly by a Federal agency; but (2) Do include some procurement contracts awarded by non-Federal participants in non-procurement covered transactions. (b) Specifically, a contract for goods or services is a covered transaction if any of the following applies: (1) The contract is awarded by a participant in a non-procurement transaction that is covered under 180.210, and the amount of the contract is expected to equal or exceed \$25,000. (2) The contract requires the consent of an official of a Federal agency. In that case, the contract, regardless of the amount, always is a covered transaction, and it does not matter who awarded it. For example, it could be a subcontract awarded by a contractor at a tier below a non-procurement transaction,

as shown in the appendix to this part. (3) The contract is for Federally-required audit services. (c) A subcontract also is a covered transaction if (1) It is awarded by a participant in a procurement transaction under a non-procurement transaction of a Federal agency that extends the coverage of paragraph (b)(1) of this section to additional tiers of contracts (see the diagram in the appendix to this part showing that optional lower tier coverage); and (2) The value of the subcontract is expected to equal or exceed \$25,000.

#### Yakima Transit Only:

When utilizing LOCAL funds, this manual applies. When utilizing Federal Transit Agency (FTA) funding, all procedures shall conform to applicable Federal law, including, but not limited to: 49 CFR Part 18 (repealed 12/26/2014), 2 CFR Parts 200 and 1200 and Federal Transit Administration (FTA) Circular 4220.1F, "Third Party Contracting Guidance". Yakima Transit has their own Procurement Manual to use for FTA funded procurements.

## V. CONTROLLED COMMODITIES

The following items require approval from designated people (NO MATTER WHAT THE DOLLAR AMOUNT) They are:

- Anything Information Technology (IT) Services is requested or required to install, connect, service, maintain or support such as computers and related equipment, fax machines, printers, scanners and copiers, cell phones, telephone equipment, software or systems - **IT Manager**.
- All Fleet Purchases – **Fleet & Facilities Manager**
- **Furniture, Office Supplies, On-Call Repair Contracts**, or anything else on a **master contract** that Purchasing has let that serves multiple divisions.

## VI. HOW TO PURCHASE MATERIALS, SUPPLIES, EQUIPMENT (Unrelated to Services, A&E or Construction/Public Work)

It is the Division Manager's/Department Head's responsibility to appoint who shall make purchases for their department on the City's behalf under the quote limits that do not require Purchasing involvement.

**Only authorized purchases used to conduct City business, consistent with the City's Strategic Priorities and state and local laws that are within predetermined budgets are allowed.**

All local governments in Washington are subject to the state's Conflict of Interest statute ([Chapter 42.23 RCW](#)). Generally, municipal officers are prohibited from having financial interests in contracts made by or under the officer's supervision or for the benefit of their office. [RCW 42.23.020\(2\)](#) defines "municipal officer" rather broadly and basically means any city employee acting on behalf of the City.

Violating these rules can bring serious penalties, including monetary fines, nullification of contracts, and possible forfeiture of employment. Common sense can be a good guide in this area of the law, but sometimes gray areas can create confusion and uncertainty. If you are concerned about a specific situation, consult with the Legal Department.

A. **THRESHOLDS**

<b>(PER CALENDAR YEAR FOR ONE OR MORE IDENTICAL, SIMILAR OR LIKE ITEMS, AND ITEMS USED IN CONJUNCTION WITH ONE ANOTHER):</b>	
<b>\$ -0- to \$4,999</b>	<b>Purchasing involvement not required</b> because competition is not required.
<b>\$5,000 to \$9,999</b>	<b>Purchasing involvement not required.</b> Department obtains oral or written quotes and retains in file.
<b>\$10,000 to \$49,999*</b>	3 Written Quotes <b>(Involve Purchasing)</b>
<b>Over \$50,000</b>	Formal Sealed Bid or RFP <b>(Involve Purchasing)</b>

\* Per **RCW 39.04.190**, Purchasing advertises for the “vendor list” procedure, enabling quotes to be obtained between \$10,000 and \$49,999.

**All dollar limits include** freight, handling, and set-up cost, plus appropriate sales tax. If there will be a **trade-in**, the dollar limit is of the gross purchase, not the net purchase after trade-in.

B. **HOW TO REQUEST A VENDOR NUMBER**

A fillable Vendor Number Request form can be found on ICE. Fill in the form and provide it to Accounts Payable along with a completed W-9.

C. **PAYMENTS**

Specify where to send an invoice at time of order.

Notify vendor that the **PO number must be on all invoices**. All questions regarding payments should be directed to the Accounts Payable Division of Finance.

D. **PCARD (VISA)** A PCard is an alternate way to pay for something. All procurement policies still apply. For PCard procedures, see Administrative Code 3-400 on ICE.

E. **TRAVEL & REIMBURSEMENT POLICY ADM 1-1900** is available on ICE.

F. **EMPLOYEE RECOGNITION, BUSINESS MEETINGS & BREAKROOM SUPPLIES POLICY ADM 1-725** is available on ICE.

G. **PROCEDURE TO OBTAIN INFORMAL (\$10,000to \$49,999) QUOTES (Purchasing involvement required):**

Department/Division personnel may obtain informal quotes (phone or written) using the Quote Form provided on ICE. **DEPARTMENT/DIVISION PERSONNEL DO NOT HAVE THE**



**AUTHORITY TO CONFIRM (PLACE) THE ORDER within this dollar range. This is done by Purchasing after reviewing the quotes, unless purchasing has given you specific written instructions otherwise.** If your quote is of a complex nature, let Purchasing obtain the quotes for you to ensure everything is apples-to-apples; otherwise:

- 1) Division contacts three vendors for quotations. Be sure technical information defines acceptable quality and ensure vendors are quoting on equal and comparable items. All vendors must be provided the same information. If one vendor offers an acceptable alternate, **new quote must be requested, using the alternate specifications.**
- 2) The City will not pay for any technical information from the vendor. If the information is to be shared with other vendors, it must be stated so up front. If you use a vendor's technical information without their approval, there may be legal consequences.
- 3) On-site demonstrations or delivery of preview/trial merchandise should be arranged with the Purchasing Division beforehand. Just because you have received a demonstration of someone's product, does not mean you will be able to buy it. Competition may still be required.
- 4) Complete the "Quotation Form" found on ICE. Obtain freight pricing (FOB Destination), if not indicated by vendor. Include vendor contact information in case we need to get ahold of them.
- 5) Enter a requisition into Cayenta. Use a buyer ID of a Purchasing Division employee as assigned and indicate recommended vendor on your requisition form. Route Quotation forms to Purchasing.
- 6) Vendor selection is made by Purchasing on the recommendation of the requesting division personnel, considering price, quality and product availability.
- 7) Purchase order is issued and order is confirmed by Purchasing, unless previously approved otherwise.
- 8) Quote documentation is attached to purchase order and filed in Purchasing for auditing and document retention.

**(QUOTE FORM IMAGE BELOW. FILLABLE FORM CAN BE FOUND ON ICE.)**

H. **PROCEDURE FOR FORMAL BIDS or RFP's - Over \$49,999 (Purchasing involvement required):**

Sealed Bids/RFP's are required whenever the cost of supplies, materials, equipment, or services exceeds \$50,000. Per Yakima Municipal Code 1.80.040. Purchasing must be involved in the formal process and will help you determine whether a Bid or RFP is warranted.

Responsibilities for the Bidding/RFP process are shared by Purchasing and the Division. Responsibilities are as follows:

**1) Division's Duties in the Bidding/RFP Process**

- a. Determine the need.
- b. Notify the Finance Department regarding any budget transfers or amendments needed to cover funding.
- c. Contact Purchasing to discuss your project.
- d. Complete Cayenta requisition using Buyer ID of the Purchasing Buyer who has been assigned your project.

**FOR AUDIT:** Purchasing *may* allow you to place the order yourselves, once the contract has been set up. If you don't receive this instruction, assume Purchasing must place the order. **In the Subject Field of the header section of the PR, notate the name and number of the contract that you are using,** (e.g. bid number, state contract number, sole source, etc.). Verify that the vendor is charging you the correct price. Not identifying which existing contract the item(s) are covered under may result in an Improper Purchase Procedure inquiry being sent to your Department Head.

- e. Route technical specifications, as well as a list of potential vendors, to Purchasing. **(Do not alter our BID/RFP template.)**
- f. Perform final review of technical specifications and be prepared to answer technical questions from vendors. Any information that needs to be disseminated to all vendors shall be done as an addendum issued by Purchasing. If applicable, attend pre-bid meeting and answer technical questions.
- g. **AWARD:** After bids have been opened, recommend award on form provided. Bid must be awarded for the most responsive bid from a responsible bidder. If recommendation for award is being made to anyone other than the low bidder, attach memo stating specific reasons why the low bid is not acceptable. RFP's are

awarded to the vendor who scored the most points on predetermined evaluation criteria. Don't reveal status of your recommendation to the vendor. Refer vendors with questions to Purchasing.

- h. **POOR PERFORMANCE?** When things go wrong, don't remain silent! Contact Purchasing and let us remedy the problem. **Remember to DOCUMENT your concerns, the actions of the vendor, and any other information or evidence that shows, proves, or exhibits the vendor's poor performance.** Even if you have had on-going problems with a vendor, we will have a very hard time canceling a contract or not awarding them a new contract, unless we have proper documentation of the problem.

## 2) Purchasing's Duties in the Bidding Process

- a. Receive technical specifications from division.
- b. Assemble bid package and check for legalities.
- c. Route to division for final review.
- d. Arrange pre-bid conference, if applicable, to invite bidders to discuss bid requirements and specifications.
- e. Establish bid opening date and place ad in newspaper.
- f. Distribute bid packages to vendors and maintain accurate vendor records.
- g. Conduct bid opening with Clerk.
- h. Tabulate bids and verify responsiveness.
- i. Review recommendation of award.
- j. If Purchasing agrees with division's recommendation, bid is routed to City Manager for approval.
- k. Place the order.
- l. Administer bid for the life of the contract (e.g. price increases, lapses in insurance coverage, bonding, prevailing wage, etc.).

## 3) SPLITTING UP ITEMS TO AVOID A BID VIOLATES STATE LAW

- a. **Issuing several PO's under the bid/quote threshold to avoid a competitive process is against state law.**
- b. Combine the total of foreseen **identical** items purchased at the same time or

**similar** items (or items that are **used together**) within a calendar years' time, in which the cost exceeds bid/quote threshold or when it is determined by Purchasing that volume discounts can be obtained by combining City-wide usage, (e.g. office supplies, laundry services, janitorial paper products, etc.).

#### **4) ALTERNATIVES TO BIDDING:**

##### **a. Inter-Governmental Cooperative Purchases**

RCW [39.34.030](#) permits governmental agencies to utilize other entities' contracts without going to bid. Contact Purchasing to determine if "interlocal" purchasing is feasible for your division's particular need. The following criteria must first be met:

- There must be an Interlocal Purchasing Agreement, approved by Council and signed by both parties, on file in Purchasing.
- It must be a current contract with interlocal language included.
- It must have been advertised on the entity's web page and competitively bid.
- The government entity, and the vendor, must be willing to share their contract pricing.
- A complete copy of the contract must have been reviewed by Purchasing. Purchasing will set up a bid file and track as if it were our own bid process.
- If one-time purchase, Purchasing will place the order. If ongoing, Department may request permission to order themselves.

##### **b. Purchases at Auctions, per [RCW 39.30.045](#)**

##### **c. An Emergency has been declared (see Section XIII)**

##### **d. Alternative Public Work Processes** (E.G. GCCM, Design Build, JOC). See Engineering for more information.

##### **e. Sole Source** (see Section XIV)

## **VII. HOW TO PURCHASE CONSTRUCTION (Public Work) ACTIVITIES:**

Dollar thresholds of when competition is required are summarized below. It is the Division Managers'/Department Heads' responsibility to appoint who shall order work for their department on the City's behalf under the quote threshold.

**A. "PUBLIC WORK"**

As defined in RCW 39.04.010, means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein.

Note that this definition of public work includes construction and repair but excludes ordinary maintenance. WAC 296-127-010(7)(b)(ii), which defines "ordinary maintenance" in the context of whether prevailing wages have to be paid as part of the contract, defines it as follows:

Ordinary maintenance is defined as maintenance work performed by the regular employees of the state or any county, municipality, or political subdivision created by its laws.

**B. "LIMITED PUBLIC WORK"**

if your project is between \$10,000 and \$34,999 the City uses a streamlined process for work, as allowed by RCW [39.04.155](#). **Contact Purchasing first to discuss the process.** *We may have an **on-call** contract that any department can use, saving you time and money.*

**Purchasing involvement is required for "Limited Public Work".**

**C. THRESHOLDS for Public Works (This is State Law):**

CITY	
\$ -0- to \$9,999	Competition not required (therefore Purchasing Involvement <b>NOT</b> required). <b>Prevailing Wage and Insurance still required!</b>
\$10,000 to \$34,999	Utilize "Limited Public Work" process as described in <a href="#">RCW 39.04.155</a> (3). <b>Purchasing Involvement Required</b> (see procedure below).
\$35,000 to \$349,999	Utilize "Small Works Roster" process as described in RCW <a href="#">39.04.155</a> . <b>Contact Engineering</b> at 575-6112 for assistance.
Over \$350,000	Must be competitively bid as described in RCW <a href="#">39.04</a> ; <a href="#">35.22.620</a> . <b>Contact Engineering</b> at 575-6112 for assistance.

**D. HOW MANY QUOTES DO I HAVE TO GET WHEN USING THE SMALL WORKS ROSTER (SWR) FOR CONSTRUCTION (non-A&E) – RCW 39.04?**

- a. <\$10,000: Competition not required, though you still need to obtain a certificate of insurance and pay prevailing wages.

- b. \$10K to \$34,999: Solicit electronic or written quotations from **3** contractors in applicable category of SWR (**work with Purchasing**).
- c. \$35,000 - \$150,000: Solicit electronic or written quotations from **5** contractors in applicable category of SWR (**work with Engineering**).
- d. \$150,000 - \$349,999: Solicit electronic or written quotations from **ALL** contractors in applicable category **or solicit from 5 contractors and notify ALL** (**Work with Engineering**).
- e. >\$350,000: Must use **Formal Bid Process** above Small Works Roster limits (**work with Engineering**).

CLICK [HERE](#) FOR MRSC'S "Small Works Roster: A guide for Washington's Local Governments".

**E. PROCEDURE FOR "LIMITED PUBLIC WORK" per RCW [39.04.155\(3\)](#) - \$10,000 to \$34,999. Purchasing Involvement Required.**

**Contact Purchasing first to discuss the process.** *We may have an on-call contract you can use.*

- a. **For Limited Public Work (\$10K to \$34,999), it is no longer possible to just meet contractors at your work site, explain the project and request quotes. State Law has changed such that now contractors must be handed a packet of information in advance with requirements about Responsible Bidder's Criteria, Prevailing wage, Insurance, and general protective clauses.**
  - i. **From ICE you can download the Limited Public Works Invitation to Quote Packet that is ready to be customized and given to contractors. They can fill out this information and return it to you with their quote.**
  - ii. **From ICE you can download the required Certificate of Insurance Sample.**
- b. Department utilizes Small Works Roster at [www.mrscrosters.org](http://www.mrscrosters.org) to download a bidders list based on selected trade(s) (obtain sign-in ID and password from Purchasing). A quick user guide can also be found on ICE.
- c. Department solicits at least 3 quotes (can notify all on roster).
- d. Department arranges pre-bid conference, if applicable, to invite contractors to discuss technical specifications and view site.
- e. Department routes requisition and paperwork through Purchasing for confirmation.
- f. No advertisement required.
- g. Bid Bonds Optional.
- h. Payment/Performance Bonds Can Be Waived.

- i. Retainage Can Be Waived.
- j. Prevailing Wage Intents/Affidavits required at the time the contract is entered into.
- k. Insurance required.

**F. DISADVANTAGED AND MINORITY VENDORS**

In June 1983, Council passed Resolution No. D-4816, *Women and Minority Business Enterprise Policy*. It is the policy of the City of Yakima that women and minority business enterprises shall have the maximum opportunity to participate in the performance of work relating to the City's activities. To this end, the City is committed to take all necessary and reasonable steps in accordance with state and federal rules and regulations to ensure women and minority business enterprises are given the maximum opportunity to compete for and to perform contracts.

**Yakima Transit** updated its DBE Goal February 2022. The entire Program and Goal Methodology can be found in Section 3.3 of the Transit Procurement Manual found on ICE. A Public Notice and link to the DBE Program may be found on the City's Purchasing webpage [HERE](#).

**G. INSURANCE/LICENSES/PREVAILING WAGES**

When hiring anybody to do anything for the City, there are multiple requirements that need to be met.

**1. Certificates of Insurance**

Before any contractor is allowed to work on City property (no matter the dollar amount of the work), contact Purchasing to determine if a Certificate of Insurance is required. If required, the contractor must furnish the City with a Certificate of Insurance, naming the City of Yakima as primary & noncontributory **additional insureds with an additional attached endorsement on or before the effective date of the contract**. The \$2million commercial/\$2million auto certificate of insurance sample can be found on ICE.

Certificates of Insurance are a complex issue, so please contact Purchasing. We are available to discuss Insurance requirements and coverage limits, depending on the level of risk (Insurance requirements are determined by the City Legal Department).

Purchasing now tracks ALL certificates of insurance that the City receives.

**2. Responsibility Criteria for Contractors: [Worksheet for Contractors found on ICE](#)**

- a. Washington State Contractor's License/Federal Registration –It is unlawful for the City to hire anyone to do construction work on our property that does not have a valid State of Washington Contractor's License. If someone is not properly licensed, DO NOT HIRE THEM. You may look up a Contractor, Electrician or Plumber at: <https://secure.lni.wa.gov/verify>

- b. Department of Revenue Business Records Database:  
Go to: <https://dor.wa.gov/> and click “look up a business” in the “I want to...” window.
- c. Verify Workers’ Compensation Premium Status:  
<https://secure.lni.wa.gov/verify>
- d. Check for debarment:  
[State of Washington](#)

#### **Federal Debarment**

It is unlawful to hire any firm to do business with the City that is not registered and in good standing with the US Government. You can check the status of an entity so see if they have been debarred [HERE](#). Print out the resulting page (even if no records were found) and file it with your paperwork for audit, **or call Purchasing and we will look them up for you.**

### **3. City of Yakima Business License**

A City of Yakima Business License is also required for any business working inside the City limits. The contractor may contact the Building Permits Division at 575-6121 for more information or click this [LINK](#).

### **4. Prevailing Wage Requirements**

Chapter [39.12](#) RCW is the **Washington State Public Works Act**, also known as the Prevailing Wage Law. This law requires that workers be paid certain hourly wages for all public work and public service maintenance contracts, **NO MATTER WHAT THE DOLLAR AMOUNT.** Click [HERE](#) for the State’s booklet on Prevailing Wage.

This Prevailing Wage law was enacted to protect the employees of contractors performing public works construction/maintenance from substandard earnings, and to preserve local wage standards.

The Department of Labor and Industries administers the law; the Attorney General prosecutes violators; and the State Auditor ascertains if the City’s policies, practices and procedures meet the requirements of the law.

**Owner/Operators** that do not have any employees do not need to pay themselves prevailing wages; however, **they do still need to file Intents and Affidavits** with the Department of Labor and Industries and specify on form in the space provided that they are Owner/Operator.

#### **EXAMPLES**

Public Work is all work, construction, alteration, repair or improvement that the City has performed at its expense. It includes, but is not limited to:

- Demolition



- Remodeling
- Renovation
- Painting
- Road Construction
- Utilities Construction
- Offsite prefabrication of ducts, liners & steel products for Public Work
- Production & delivery of gravel, rock, concrete & asphalt (to a construction site (not to a stockpile)

Any worker, laborer or mechanic performing public work must be paid prevailing wages. It does not usually apply to work that is clerical, executive, administrative or professional (grant funded projects may be an exception).

#### **DIVISION RESPONSIBILITIES TO ENSURE PREVAILING WAGE LAW IS FOLLOWED:**

- 1) ***Prior to Getting an Estimate or a Quote*** – Notify the contractor that they are required to pay prevailing wages. The contractor may obtain more information from the Department of Labor and Industries (see link to booklet above). They may also contact Purchasing at 509 575-6093 and we will provide them with a copy of the most recent wage rates listing for Yakima County. The list can also be obtained online at: <https://secure.lni.wa.gov/wagelookup/>
- 2) ***After a contractor has been selected*** – The contractor is required to file a “Statement of Intent to Pay Prevailing Wages” with the Department of Labor and Industries PRIOR TO STARTING WORK. Most contractors file online at: <http://www.lni.wa.gov/TradesLicensing/PrevWage/default.asp>

There is a fee that the contractor will have to Pay L & I, and the completed Intents are also available online. **Note:** The contractor must insert the City Purchase Order number in the contract number box on the form.

- 3) ***After the work is completed*** – The contractor must also file an “Affidavit of Wages Paid” with the Department of Labor and Industries. There is another fee that the contractor will have to pay to L & I (**L & I has waived the fee for work <\$750.00**), and completed Affidavits are also available online. **Note:** The contractor must insert the City Purchase Order number in the contract number box on the form.

Final payment must not be released by the City until certified intents and affidavits have been posted as approved by L&I on their website. Call Purchasing if you need help looking them up.

- 4) **FOR PROJECTS BETWEEN \$10,000 and \$35,000**  
Purchasing will take care of all the above requirements utilizing the “Limited Public Works” process, per [RCW 39.04.155\(3\)](#).

## VIII. HOW TO PURCHASE ARCHITECT AND ENGINEERING SERVICES:

A & E's are hired following the rules in [RCW 39.80](#). City Departments must follow the "[Contracting for Architects and Engineers Manual](#)" available on Purchasing's ICE page.

## IX. HOW TO PURCHASE ORDINARY OR "PURCHASED" SERVICES:

"Ordinary/Purchased Services" are those provided by vendors for routine, necessary and continuing functions of a local agency, mostly relating to physical activities. Ordinary services are usually bid through Purchasing, because there is so much competition available. **There are lots of ordinary services that require prevailing wages - - check with Purchasing.**

- Repetitive, routine, or mechanical in nature; – following established or standardized procedures
  - Contribute to the day-to-day business operations
  - Completion of assigned and specific tasks.
  - Decision-making is routine or perfunctory in nature
  - May require payment of prevailing wages
  
- Examples include:
  - Delivery/courier service
  - Landscaping
  - Building maintenance (janitorial)
  - Herbicide application service
  - Recycling/disposal/litter pickup service
  - Vehicle inspection, lubricating and repair services
  - HVAC system maintenance service (without repair)

## X. HOW TO PURCHASE PROFESSIONAL SERVICES:

"Professional Service Contract" means an agreement with an independent contractor for providing professional services to the City. The City does not provide direction to the provider other than the circumstances that are stated in the terms of the contract.

There is not a state law requiring Professional Service Contracts over \$50,000 to be bid, however it is the City Manager's discretion to direct Professional Services to be bid/quote through Purchasing when the total cost in a calendar years' time exceeds \$50,000.

**The Legal Department must review and the City Manager must sign all Professional Service Contracts, regardless of dollar amount.**

Examples:

- Medical and Dental
- Legal Services
- Management Consulting
- Accounting and Auditing
- Real Estate Broker

## XI. HOW TO PURCHASE PERSONAL SERVICES:

A “Personal Service Contract” is a **contract** with an independent contractor for personal services to the City. Personal Service includes hiring a consultant to provide professional or technical expertise to accomplish a specific study, project, task or other work statement according to RCW [39.29.006](#).

It is the City Manager’s discretion to direct Professional Services to be bid/quote through Purchasing when the total cost in a calendar years’ time exceeds \$50,000.

**The Legal Department must review and the City Manager must sign all Personal Service Contracts, regardless of dollar amount.**

Examples:

- Artistic Designs
- Class Instructions for Parks Division Activities
- Referees

## XII. HOW TO LEASE:

**1. Bids are *not* required on equipment leases, however Legal must review and the City Manager must approve all equipment leases. Leasing is usually the most expensive way to finance a purchase. Contact Finance to see if an “Internal Lease Option” will allow you to achieve a reduced monthly payment.**

- a. Legal Review – Send to Legal for review.
- b. Fiscal Approval - Review proposals with the Finance Dept. prior to budgeting the expense. Lease-to-own purchases are to be budgeted and accounted for as if the total expense is to be incurred when the item is purchased.

- c. Lease Approval - City Manager must approve all Equipment Leases and may opt to send lease to Council for approval if he so desires.
  - d. To exercise the purchase option of a lease, route to the City Manager for approval.
2. **Lease vs. Rent:** Leasing is generally used for mid to long-term contracts. Renting is usually a short-term solution that is more casual. If you are confused on if you need a contract, contact Legal.

### XIII. HOW TO DECLARE AN EMERGENCY:

Emergency situations are basically a single source and must follow the procedures below. The city must follow fiscal approval limits as set forth in ADM Policy 2-200 available on the Human Resources ICE page. **When an emergency is declared, refer to Yakima Municipal Code Chapter 6.06.010.**

**Emergency purchases** occur when an emergency situation arises that was unforeseen and must be remedied immediately.

Examples: Acts of God, (i.e. flood damage); machinery that is critical to the operation of the City and rendered out of service.

#### **City procedure to obtain an Emergency Purchase Order:**

1. Division recognizes an emergency situation has developed.
  - a) Division estimates cost to correct the emergency.
  - b) Division identifies potential vendor/contractor to perform service/supply materials. **DON'T FORGET PREVAILING WAGES AND INSURANCE FOR PUBLIC WORKS...they still apply.**
2. **Division staff obtains appropriate verbal approval** from Division Manager and/or Department Director.
3. Division initiates remedy to emergency (contacting vendor/contractor).
4. Division contacts Purchasing the **next business day** to obtain a preliminary "Emergency Purchase Order Number" and initiates the "Emergency Purchase Order Justification form", found on ICE, after-the-fact (image included on next page).
  - a) The form will require the vendor/contractor name, reason for emergency, materials and/or work required, and anticipated costs. Route for Signatures.

5. Division Requisitioner enters requisition into CAYENTA, with the words **“Emergency PO NO.”** in the PR Subject Field (**failure to do this may result in an “Improper Purchase Procedure” sent to your Division Manager, since the person auditing will not know if this was an approved purchase**). Contact Purchasing and provide them with the Requisition number.
6. Once the Emergency PO Justification form is fully signed, return to Purchasing for logging and safekeeping for auditing purposes.
7. Emergencies over \$50,000 must be approved or ratified (after-the-fact) by City Council via Resolution.

**NOTE:** Division Managers will receive an annual report to review emergency purchase requests received from their division.

(EMERGENCY FORM BELOW. FILLABLE FORM FOUND ON ICE)

#### XIV. HOW TO DECLARE A SOLE SOURCE (or Single Source):

**PURCHASING INVOLVEMENT REQUIRED.** On a case by case basis, the bid or quote requirement may be waived and a sole/single source purchase approved, in accordance with [RCW 39.04.280](#). There should be careful deliberation before going to a sole/single source as this type of purchase eliminates competition and tends to drive up prices.

##### **Authority to Approve Sole/Single Source Purchases**

City Manager ..... Over \$10,000 to \$49,999  
 City Council..... Over \$50,000

A **sole** source is where there is only ONE supplier of the product or service. A **single** source is where the vendor is “one vendor amongst others”, when other competitive sources may be available.

A sole/single source purchase may be approved if one or more of the following conditions are met:

1. **Standardization** or **compatibility** to existing City standard or to existing equipment, inventory, systems, data, programs or service.
2. **Licensed** or **patented** product with only one dealer (and the license or patent is paramount to your procurement).
3. **Only** authorized Service Provider, Repair and/or Warranty Services, e.g. warranty may be negated if you let someone else work on it.

4. **Unique design:** Requires unique features that are essential, aesthetic requirements, or not practical to match to existing design or equipment. Document the unique specifications that are needed, which will drive the research in finding a product that fits the specific needs of your department.
5. **Special Market conditions:** Can be used to purchase items at auction (RCW [39.30.045](#)) or other items that are offered at a very favorable price and will be sold before an entity will have a chance to complete the bidding process (e.g. a flood is coming and you must obtain sandbags immediately) or perhaps funds must be expended immediately, or there is a critical delivery date.

**NOTE:** Any sole/single source utilizing **Federal Grant money** must also include 1) Written responsibility determination for the successful contractor and; 2) Basis for contract price (**Cost Price Analysis** – Contact Purchasing for form). Each Grantee must evaluate and state its justification for the contract cost or price.

**A. Procedure to obtain sole source purchase approval:**

1. **Call Purchasing first** to discuss. Purchasing can often offer alternatives to sole/single sourcing, (e.g. piggybacking contracts, etc.).
2. Fill out the Sole/Single Source Justification Form found on ICE (shown below) and forward to Purchasing for recommendation. If time allows, Purchasing will publish a “Notice of Intent to Sole/Single Source” in the Yakima Herald Republic and online, following existing rules for advertising bids. Council approves over \$50,000.
3. Enter a requisition into Cayenta and use Buyer ID of the Purchasing Division employee who has been assigned the project. State “sole/single source” in the Subject Field of the Purchase Requisition (PR).
4. If over \$50,000 Division initiates a Resolution, supported by the necessary information justifying a sole/single source exists and routes to the Legal Department. Department attaches Sole Source Justification Form to Resolution and uploads into NOVUS.
5. Once approved, **Purchasing will place the order**, unless Purchasing has given written permission for the division to order it themselves.

(SOLE/SINGLE SOURCE FORM IMAGE BELOW. FILLABLE FORM FOUND ON ICE.)

## XV. DISPOSAL OF SURPLUS PROPERTY

Refer to Disposal of Surplus Property Policy available in the Administrative Code Book, Policy No. 3-100 found on Human Resource's ICE page.

## XVI. TRADE-INS

Trade-Ins are allowed on new purchases if approved by Purchasing in advance. Trade-Ins must be negotiated, documented at "Fair Market Value" by the Division, and declared surplus ahead of time (through Purchasing) by the City Manager if under \$15,000 and City Council if over \$15,000.

Fair Market Value can be obtained by finding comparable units that have been sold at online auctions, e.g. [www.publicsurplus.com](http://www.publicsurplus.com); [www.Ebay.com](http://www.Ebay.com); [www.rockanddirt.com](http://www.rockanddirt.com); [www.ironplanet.com](http://www.ironplanet.com) or other online sources such as Edmonds.com, Kelley Blue Book, or NADA. Also, [www.govdeals.com](http://www.govdeals.com) is a good place to find auction results for comparable units.

Trade-Ins may also be requested ahead of time in the Bid Specifications as a "Guaranteed Buy Back". Work with Purchasing if you would like to consider this option.

## XVII. CAYENTA PROCEDURES

City employees can visit [ICE](#) on the intranet to view Cayenta Procedures and Guides.

## XVIII. FREIGHT

### 1. Shipping Terms

Whenever you are shipping an item that will incur freight charges, always request that it be shipped *FOB destination, freight prepaid*. What this means is that the vendor you ordered the merchandise from owns it until it reaches your door and there won't be a separate invoice for freight. If anything should happen to the merchandise during shipping, the vendor (not the City) is responsible for filing the claims with the carrier.

FOB determines at what point the ownership transfers. If an item is FOB origin, the City owns the merchandise from the point of shipping while it is in transit.

Freight prepaid or collect refers to who is responsible for paying shipping charges - the City or the seller.

### 2. Receiving Freight

*It is the responsibility of the individual who signs for UPS or Carrier's delivery receipt to properly receive all cartons they are signing for. Anyone who accepts and signs for receipt of goods, acknowledges that the item was received and accepted as delivered.*

**a. Confirm the contents are consistent with the order**

- 1) Confirm the package or carton is being delivered to the proper location.
- 2) Verify the number of cartons, crates or pieces is correct according to quantities on the packing slip.
- 3) Sign the delivery slip legibly so that we can track who did the receiving.
- 4) Open packages and verify the order is correct.

**3. Damaged Cartons**

**a. Visible Damage**

Any person receiving freight must make a notation on the Carrier's delivery receipt of apparent damage to packages. State the specific type of damage on the delivery receipt and obtain the driver's signature (not just initials) on your copy of the receipt.

**b. Concealed Damage**

If the shipment of goods received showed no sign of damage upon receipt, but damage to the contents is found upon opening, concealed damage exists.

- 1) Call the Carrier immediately upon discovery of the damage and request an inspection. Notate the date and the person contacted.
- 2) Notify the vendor to file a claim.
- 3) All shipping cartons should be retained for inspection on any damage.
- 4) When making a request for an inspection, advise the Carrier whenever possible on the value of the damaged goods. If the value is less than \$50.00, most carriers will frequently waive inspection. Indicate person contacted on the claim form.
- 5) When an inspection is made, specific damages should be notated by both parties and signed by both on the inspection report. Send report to the vendor.



## DEFINITIONS

**Acknowledgment** -- A form used by a vendor to advise a purchaser that his order has been received. It usually implies acceptance of the order.

**ARO** -- After receipt of order.

**As Is** -- A term indicating that goods offered for sale are without warranty or guarantee. The purchaser has no recourse on the seller for the quality or condition of the goods.

**Bill of Lading** -- A carrier's contract and receipt for goods by which he agrees to transport from one place to another and to deliver to a designated person.

**Capital Outlay** -- Fixed assets of which the value exceeds \$5,000 including freight and tax.

**Cash Discount** -- A discount offered to the City to encourage payment of an invoice on or before its due date.

**Change Order** -- Purchaser's written authority to the supplier to modify or add to a purchase order. Change orders are created by Purchasing (other than Capital Improvements).

**Contract** -- A contract is a legally binding and enforceable agreement between two or more parties stating the terms and conditions for an exchange of something of value (usually money, goods, or services) between the parties. A contract can take many different forms, ranging from major, heavily negotiated written contracts to a simple PO or telephone order for goods or services. Legal should be contacted if there is uncertainty as to the need for a written contract and how to go about it. Only the City Manager of the City of Yakima has the authority to sign contracts UNLESS they have delegated their authority over to an individual via approved Resolution.

**Controlled Commodity** -- Items which may fall under the quote dollar limit that require approval from designated people, e.g. office products, communication equipment and computer equipment.

**Emergency Purchases** -- Emergency purchases occur when an emergency situation arises that was unforeseen and must be remedied immediately.

**Expediting** -- Attempt to reduce the contractually agreed upon delivery time of a product.

**F.O.B. (Free (or Freight) on Board)** -- The stated F.O.B. point is usually the location where title to the goods passes from the seller to the buyer. The seller is liable for transportation charges and the risks of loss or damage to the goods up to the point where title passes to the buyer. The buyer is liable for such charges and risks after passing of title.

**Lead Time** -- The period of time from date of ordering to the date of delivery which the buyer must reasonably allow the vendor to prepare goods for shipment.

**Ordinary Services** – The furnishing of labor, time, or effort by a contractor or vendor, not involving the delivery of any specific end product, other than reports that are incidental to the required performance or general service work performed such as backhoe, landscape, Janitorial, window washing, repairs to things other than personal property, training, surveys, etc.

**Packing List** -- A document which itemizes in detail the contents of a particular package or shipment.

**Payment Discount** -- See Cash Discount.

**Personal Service Contract** – An employment contract with an independent contractor for the rendering of personal services to the City. The City Manager must sign all Personal Service Contracts.

**Prepaid** -- Transportation charges that have been or are to be paid at the point of shipment.

**Professional Service Contract** -- An agreement with an independent contractor for the rendering of professional services to the City. The City does not provide direction to the provider. The City states a goal and objective and the provider, under his own direction, accomplishes the goal.

**Public Work** -- A project including all work, construction, alteration, repair or improvement other than ordinary maintenance executed at the cost of the City.

**Request For Proposals** -- Similar to the formal bid process, except that factors other than price are used to award the contract.

**Sealed Bid (Formal Bid)** -- An advertised solicitation for a requirement in which the cost exceeds the \$50,000 bid limit. The bids are opened during a public opening.

**Specification** -- A clear, complete, and accurate statement of the technical requirements descriptive of a material, an item, or a service.

**Standardization** -- When it is necessary to standardize to one type of item because of uniformity or interchangeable parts issues. Authorization for standardization is obtained from Purchasing.

**Visible Damage** -- Broken cartons, crushed or wet cartons, or markings which indicate that the shipment of goods may have received rough treatment in transit with consequent damage to the contents.