

RESOLUTION NO. 2021-005

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DEER PARK, WASHINGTON
REVISING THE PROCUREMENT POLICY OF THE CITY, REPEALING RESOLUTION
2012-010, INCLUDING A SEVERABILITY PROVISION, AND SETTING AN EFFECTIVE
DATE.**

WHEREAS, the Washington State Auditor recommends that the City revise its Procurement Policy; and

WHEREAS, the City Clerk-Treasurer recommends revising the City Procurement Policy in the form attached as Exhibit "A" to this Resolution; and

WHEREAS, the Mayor and City Council have reviewed the recommended Procurement Policy and have determined that adoption of the same is in the best interest of the citizens of the City; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DEER PARK, WASHINGTON, HEREBY RESOLVE AS FOLLOWS:

Section 1. The City hereby adopts the Procurement Policy which is attached hereto as Exhibit "A" and made a part of this Resolution by this reference.


Section 2. Resolution 2012-010 is hereby repealed in its entirety.

Section 3. If any section, sentence, clause, or phrase of this Resolution shall be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 4. This Resolution shall be effective immediately upon passage by the City Council.

APPROVED by the City Council of the City of Deer Park, Washington at an Open Public Meeting the 20th day of October, 2021.

APPROVED:



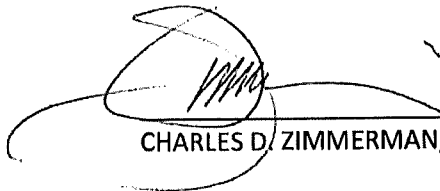
TIMOTHY VERZAL, MAYOR

ATTEST/AUTHENTICATED:



DEBY CRAGUN, CITY CLERK/TREASURER

APPROVED AS TO FORM:



CHARLES D. ZIMMERMAN, CITY ATTORNEY

EXHIBIT "A"

CITY OF DEER PARK PROCUREMENT POLICY Approved by City Council Resolution No. 2021-005 the 20th day of October, 2021

This City of Deer Park (the "City") Procurement Policy ("Policy") establishes the best practices and standards for the City concerning the purchasing of materials, supplies, or equipment; public works projects; federal awards standards; and code of conduct.

I. PURCHASE OF MATERIALS, SUPPLIES, OR EQUIPMENT

A. Controlling Laws

The expenditure of public funds for the purchase of, and contracting for, goods, services, supplies, and materials shall comply with all applicable state law requirements as set forth in the Revised Code of Washington (RCW) and the Washington Administrative Code (WAC). Where this Policy conflicts with state law requirements, the more restrictive procurement method or threshold shall prevail. Where this Policy is silent with regards to purchasing and bidding requirements, state law shall govern City procedure.

Purchases and contracts that include federal funding shall also comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, published under Title 2 of the Code of Federal Regulations (2 CFR 200) and any other requirements associated with the receipt and use of the federal funds.

B. Monitoring and Compliance

The City shall implement, monitor, and enforce this Policy. Willful or intentional violations of this Policy may result in penalties, financial liabilities, and/or discipline.

The City will monitor purchases to avoid duplication. The City may enter into inter-entity agreements or utilize the State Department of Enterprise Services competitively bid price list to realize cost savings for purchases of goods and services when possible. For purchases exceeding \$7,500 the City will endeavor to verify and document that people and businesses selling goods and services to the City are not suspended or debarred from doing business with the federal or state government.

In implementing this Policy, the City shall take reasonable measures to safeguard protected personally identifiable or sensitive information that would qualify as protected non-disclosable information under state or federal laws regarding privacy and confidentiality.

C. Proper Authorization

Only authorized employees acting within the scope of their authority may obligate the City in the acquisition of goods or services. Any employee purchasing goods or services on behalf of the City without proper authorization may be personally liable to the vendor and/or to the City and subject to disciplinary action.

For federally funded purchases and contracts, to document that expenditures are proper and in accordance with the terms and conditions of the federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the contract must include a certification, signed by an official who is authorized to legally bind the City, which reads as follows:

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements, and cash receipts are for the purposes and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statements, false claims, or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729-3730 and 3801-3812)

Notwithstanding any other provision of this Policy, the Mayor or their designee may make, or authorize others to make, emergency procurements of materials, supplies, equipment or services without complying with the requirements of this Policy when there exists a threat to public health, safety or welfare, or a threat to property; provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. Other competitive bidding exemptions for purchases include those identified in RCW 39.04.280.

For purchases of materials, supplies and equipment, the City shall follow the state or federal law minimum threshold requirements for purchases up to the amount that require competitive bidding. Even when competitive bidding is not required by law, the City shall obtain reasonable pricing when purchasing materials, supplies, and equipment.

D. Credit Cards/ Procurement Cards

In accordance with RCW 43.09.2855, the City is 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 the City Clerk- Treasurer to assign credit cards or procurement cards to employees that need them for City operations.

II. PUBLIC WORKS PROJECTS

The City shall follow the most restrictive applicable procedures when contracting for public works projects. The threshold for bidding shall be as established by state law or the requirements of any state or federal funding agency, as applicable. In addition, the city may enter into contracts for public works projects by utilizing a properly approved small works roster process. Exemptions to competitive bidding shall be those set forth in RCW 39.04.280.

III. ARCHITECTURAL AND ENGINEERING SERVICES

The City shall comply with the process set forth in Chapter 39.80 RCW in the procurement of architectural or engineering services and with any other specific requirements of state or federal funding agencies if and when applicable.

IV. FEDERAL STANDARDS

The purpose of this Section is to establish and maintain internal controls that provide reasonable assurance that federally funded purchases are being processed in compliance with all federal regulations and with the terms and conditions of the federally funded project, hereinafter the "federal award".

The City will maintain effective internal control over the federal award providing reasonable assurance that the City is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award in a manner consistent with 2 CFR §200.

A. Advance Payments and Reimbursements

In compliance with 2 CFR § 200, payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and disbursement by the City. Advanced payments must be limited to the minimum amounts needed and be timed in accordance with the actual, immediate cash requirements of the City to carry out the purpose of the approved program or project. Any advanced payments must be consolidated to cover anticipated cash needs.

B. Cost Sharing or Matching

For all federal awards, any shared costs or matching funds and all contributions, including cash and third-party in-kind contributions, must be accepted as part of the non-federal entity's cost sharing or matching when such contributions meet all the criteria outlined in 2 CFR § 200.

If the purpose of the federal award is to assist the City in the acquisition of equipment, buildings or land, the aggregate value of any donated property may be claimed as cost sharing or matching.

C. Allowable Costs

Federal awards will meet the following general criteria in order to be allowable, except where otherwise authorized by statute (2 CFR § 200):

- Be necessary and reasonable for the performance of the federal award;
- Conform to any limitations or exclusions set forth in this Policy or in the federal award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both federally- financed and other activities of the City;
- Be provided consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period; and
- Be adequately documented.

PROCUREMENT METHOD	GOODS	SERVICES
Micro-Purchase- No required quotes. However, must consider price as reasonable, and, to the extent practicable, distribute equitably among suppliers.	\$7,500 or less Must use more restrictive local threshold noted above	\$7,500 or less Must use more restrictive local thresholds noted above
Small Purchase Procedures (Informal)- Obtain/document quotes from a reasonable number of qualified sources (endeavor to obtain at least three bids).	\$7,500 - \$75,500 (Single Trade) \$7,500- \$116,155 (Multi Trade) \$7,500- \$15,000 (Non-Public works projects) Must use more restrictive local thresholds noted above	\$7,500 - \$75,500 (Single Trade) \$7,500- \$116,155 (Multi Trade) \$7,500- \$15,000 (Non-Public works projects) Must use more restrictive local thresholds noted above
Sealed Bids / Competitive Bids (Formal)	\$75,500 or more (Single trade) \$116,155 or more (Multi trade) \$15,000 or more (Non-Public works projects) Must use more restrictive local threshold instead of \$250,000 federal threshold	\$75,500 or more (Single trade) \$116,155 or more (Multi trade) \$15,000 or more (Non-Public works projects) Must use more restrictive local threshold instead of \$250,000 federal threshold
Competitive proposals	Used when conditions are not appropriate for the use of sealed bids. <ul style="list-style-type: none"> • Must publicize request for proposals soliciting from an adequate number of qualified sources • Maintain written method for conducting technical evaluations • Contract must be awarded to the responsible firm whose proposal is most advantageous to the program 	
Non-competitive proposals	Appropriate only when: <ul style="list-style-type: none"> • Available only from a single source; or • Public emergency; and • Expressly authorized by awarding or pass-through agency in response to written request from the City; or • After soliciting a number of sources, competition is deemed inadequate. 	

V. CODE OF CONDUCT- ETHICS

The purpose of this code of conduct is to ensure the efficient, fair and professional administration of federal grant funds in compliance with 2 CFR §200, and other applicable federal and state standards, regulations, and laws. This code of conduct applies to all elected officials, employees or agents of the City engaged in the award or administration of contracts supported by federal funds.

A. Requirements

No elected official, employee or agent of the City shall participate in the selection, award or administration of a contract supported by state or federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

- A City employee, elected official, or agent; or
- Their dependent; or
- Their partner; or
- An organization which employs, or is about to employ any of the above.

The City's elected officials, employees or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors or subcontractors.

B. Penalties/ Reporting

To the extent permitted by local, state, or federal laws or regulations, violation of these standards may cause penalties, sanctions or other disciplinary actions to be taken against the City's elected officials, employees or agents, or the contractors, potential contractors, subcontractors or their agents. Penalties may include forfeiture of office for elected officials or termination of employment for appointed officials. Any potential conflict of interest will be disclosed in writing to the federal awarding agency or pass-through entity in accordance with applicable federal awarding agency policy.

VI. NEW REGULATIONS AND PERIODIC REVIEW

A. New Regulations

All applicable regulations enacted following the effective date of this Policy are by this reference made a part herein. All parts of this Policy that are in conflict with any new regulation enacted following the effective date of this Policy are by this reference modified to comply with any new regulation.

B. Biennial Review

City Staff shall endeavor to review this Policy on a biennial basis and update the Policy following review, if updates are deemed appropriate.