



|   |   |                                |
|---|---|--------------------------------|
| <b>TITLE:</b><br>Procurement of Goods and Services  |   | <b>POLICY:</b><br>FIN-005-2024 |
| <b>EFFECTIVE DATE:</b><br>6/26/2024   | <b>SUPERSEDES:</b><br>PUR-003-05  | <b>PAGES:</b><br>6             |
| <b>MAYOR:</b><br><small>DocuSigned by:</small><br>Christine Frizzell<br><i>Christine Frizzell</i> | <b>DEPARTMENT DIRECTOR:</b><br><small>DocuSigned by:</small><br>Michelle Meyer<br><i>Michelle Meyer</i> | <b>Administrative Policy</b>   |

**APPLICABLE TO:** All City Departments, Offices and Employees.

**POLICY STATEMENT:** The City of Lynnwood will actively seek to maintain public confidence and trust in the methods it uses to purchase goods and services. The City will adopt standards that promote the proper stewardship of public funds and provide for open, transparent, and fair public contracting processes that are free from potential bias and conflict of interest. To accomplish this, the City will use the guiding principles of integrity, accountability, transparency, and inclusiveness. The City desires a process that will ensure minority-owned, women-owned, and veteran-owned firms are provided the maximum practicable opportunity for consideration to their general availability within the professional communities involved.

**PURPOSE:** The purpose of this Policy is to provide an institutional framework for the purchase of goods and services. This framework will comply with all applicable City, State, and Federal laws and regulations, policies, and procedures. Specific procedures interpreting and implementing this Policy and relevant laws will be adopted and maintained by the Finance Department.

**DEFINITIONS:**

Goods means equipment, supplies, materials and goods, and includes both tangible and intangible personal property that is movable subject to ownership and has exchange value. LMC 2.92.030

Services, except for professional services, means the furnishing of labor, time or effort by a contractor. LMC 2.92.030

Manager means the City's Finance Manager assigned to oversee Procurement.  
LMC 2.92.030

**POLICIES:**

LMC 2.92.050 Procurement of Goods and Services.

2 Code of Federal Regulations (CFR) 200.1 Simplified Acquisition Threshold and federal micro-purchase threshold, 2 CFR 200.322 (domestic preferences for procurements

This section applies to contracts or procurements for goods and services, including personal services in accordance with LMC 2.92.050. Contracts shall be solicited under the following competitive process thresholds, with the price inclusive of freight and shipping, but exclusive of taxes:

For purchases and contracts below \$10,000, with the price inclusive of freight and shipping, but exclusive of taxes, employees and officials are responsible for selecting goods and services in the open market and ensuring best value for the city.

For purchases and contracts between \$10,000 and \$50,000, informal price quotations shall be secured. Employees must:

1. Research the good or service, and provide a clear and open description of the needs of the city;
2. Secure a written price quote from a minimum of three sources;
3. Identify the best price;
4. Provide written quotes to the manager; and
5. Manager reviews the informal price quotations and approves or rejects the purchase.

Procurement may conduct quotations on behalf of departments and offices when requested.

Purchases and contracts more than \$50,000 must be formally advertised in a public manner.

1. The manager or the manager's designee shall advertise solicitations for the submittal of bids, qualifications or proposals. The notice shall state the date and time for submissions. The solicitation for submittals shall state the relative importance of price and all other evaluation factors.

2. All bids submitted shall be reviewed for the responsiveness to the bid requirements and for the responsibility of the firm to perform the work described.

When all factors have been evaluated by Procurement and department staff, the award of the contract shall be to the lowest responsible, responsive bidder.

3. For requests for proposals or qualifications and other solicitation methods where price is not the only determining factor, discussions may be conducted with responsible proposers to determine which proposals should be evaluated in more detail or which proposers should be requested to enter negotiations, or both. Negotiations may be conducted concurrently or sequentially. Procurement or departmental staff may request clarifications and consider adjustments in the proposals to better understand the proposals and to qualify them for further consideration, though information discussed or obtained from one proposer shall not be disclosed to competing proposers during the discussions and negotiations.

4. Contract award, if at all, shall be made to a responsible offeror(s) whose bid or proposal is determined to be the most advantageous to the city, taking into consideration price and the other established evaluation factors. (Ord. 3374 § 1 (Exh. A), 2020; Ord. 3297 § 2 (Exh. A), 2018)

**RESPONSIBILITIES:**

1. Selection of a winning offer will be based significantly on quality and expertise, and the award of the contract shall be to the lowest responsible, responsive bidder. The criteria for selection shall be consistent with the criteria in the solicitation.

2. To provide access and encourage competition, Internet and e-mail communications and submittals will be used when possible.

3. To ensure consistency and fair process, the City shall use standard forms, documents, contracts, and terms and conditions, whenever practicable. Pro will maintain approved templates for related documents for use by departments. These may be modified for a single-use purpose by the Finance Manager overseeing Procurement or in consultation with the City Attorney.

4. Standards of ethics and conduct shall be as directed by the Purchasing Ethics Policy, and by Lynnwood Municipal Code.

5. The City desires participation from local, small, women-owned and minority-owned firms. Invitations should be mailed to local businesses and to businesses identified by the Minority and Women Business Enterprises, as practicable.
6. Minimum qualifications may be stated, to ensure respondents are reasonably qualified. However, such qualifications should be used judiciously and in no case to purposefully eliminate qualified offerors. Such qualifications should be tested against the marketplace to ensure they are not overly restrictive.
7. For any selections that are managed by City Procurement, Procurement shall direct and declare both the evaluation process and the selection. This will be the responsibility of Procurement, and not a decision made by the department, for those bids that are managed through Procurement.
8. The City allows discussion with potential bidders prior to the solicitation release, to ensure that solicitations and specifications are appropriate to the need and to the industry.
9. Whenever practicable, the City shall conduct a pre-proposal conference to allow a thorough discussion of the City's intention, scope, specifications and terms. Interested companies should be encouraged to attend, and the City shall consider input and comments as practicable. Should a mandatory conference be required, the Finance Manager overseeing Procurement shall approve that requirement.
10. The City shall favor an Evaluation Selection Committee to promote an open, proper selection. Such committee shall be advisory only and will not be responsible for the final decision.
11. The City allows discussion with the final apparent successful bidder, for the sole purpose of refining and improving the offer to the satisfaction of the City, and for clarifying aspects of the proposal or refining aspects of the proposal once the bidder has been selected. Should award to Council be required, such discussion shall be noted on briefing to Council. Should the discussion fail to produce a satisfactory result and the City is not able to enter into a contract, all bids shall be rejected. In no case should such discussion be used as a Best and Final Offer process, unless otherwise allowed by law.

12. When a Department has a procurement need that is funded in any part with federal funds, the Department must identify the source of the funding to the Finance Department. This information is imperative to ensure procurement is conducted per the federal rules and regulations set forth in 2 CFR 200.

a. All Departments using federal funds to obtain goods and services will do so in compliance with federal grant guidelines and federal regulations.

b. Micro purchases may be awarded without soliciting competitive quotations if the acquiring Department considers the price inclusive of shipping and freight but exclusive of taxes, to be reasonable and under \$10,000. This limit shall be periodically adjusted for inflation in accordance with 48 CFR Part 2.1.

c. All procurement transactions shall be conducted in a manner providing full and open competition. In order to ensure objective contractor performance and eliminate unfair competition advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing in such procurements. 2 CFR 200.319(a).

d. The City of Lynnwood shall not restrict competition by placing unreasonable requirements on firms in order for them to qualify to do business, requiring unnecessary experience and excessive bonding, allow noncompetitive pricing practices between firms or between affiliated companies, award noncompetitive contracts to consultants that are on retainer contracts, not preventing organizational conflicts of interest, specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement, or taking arbitrary action in the procurement process. 2 CFR 200.319 (a)(1-7).

e. The City of Lynnwood may conduct competitive proposals as a procurement type. When this method is used, the following requirements apply: Requests for proposals are publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be considered to the maximum extent practical. Proposals are solicited from an adequate number of qualified sources. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the City of Lynnwood, with price and other factors considered. 2 CFR 200.320(d).

f. The City of Lynnwood will perform cost or price analysis in connection with every procurement in excess of the Simplified Acquisition Threshold (\$50,000) including contract modifications. 2 CFR 200.1, 2 CFR 200.320.

g. The City of Lynnwood shall, to the greatest extent practicable under 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). The

requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. 2 CFR 200.322.