

**CITY OF SAMMAMISH
WASHINGTON
RESOLUTION NO. R2013-558**

**A RESOLUTION OF THE CITY OF SAMMAMISH, WASHINGTON
AMENDING CITY PURCHASING POLICIES TO CONFORM TO
STATE LAW REQUIREMENTS FOR MONIES BUDGETED AND
SPENT IN ALL CITY OPERATIONS TO ALLOW ACCOUNTS
PAYABLE CHECKS TO BE MAILED PRIOR TO CITY COUNCIL
APPROVAL.**

WHEREAS, the City Council desires to ensure that the City's purchasing policies and procedures remain consistent with State law requirements; and

WHEREAS, the City Council finds that the City's purchasing policies should allow accounts payable checks to be mailed prior to Council approval to avoid delays and to meet vendor payment due dates;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAMMAMISH, WASHINGTON, DO RESOLVE AS FOLLOWS:

SECTION 1: INTRODUCTION/INTENT

The City Council desires to establish a uniform system of City purchasing and spending with all policies and procedures set forth in writing and available in one document. It is the intent to create a system that will assist all departments in obtaining the maximum use of money budgeted and spent for procurement of goods and services, to aid in implementing the budget and general financial controls of all City operations and to enforce all federal, state and local regulations. It is the further intent to replace and supersede all previously adopted purchasing policies and procedures.

SECTION 2: GENERAL

It is the general policy of the City that all expenditures shall be rationally related to some public purpose and reasonable in the amount and nature. All expenditures/expenses must be pre-audited and certified by the City's Finance Director or designee and City Manager or designee prior to release of checks for payment submitting them to the City Council or its designated advisory group. The City Council or its designated advisory group may review and certify accounts payable claims twice monthly upon request, and perform a limited audit of payroll to ensure that all issued payroll checks have been accounted for in the payroll of a given month.

~~Normally no claims/payroll checks may be issued prior to review and approval of City Council or its designated advisory group. However, the City Council has authorized the City Manager to issue certain checks prior to the review and approval by the City Council if they deemed that a delay in payment would not be in the best interest of the City. These may include, but are not limited to:~~

- ~~1. When delay in payment may result in late charges or penalties;~~
- ~~2. Registration fees, etc., that require payment by a certain deadline;~~
- ~~3. Payments that must be made in advance, (County permit fees, etc.)~~

At the next regular meeting, the City Council or its designated advisory group must review and approve those claims paid. If the City Council or its designated advisory group disapproves a claim that has already been paid, the City Manager or Finance Director must recognize the claim as a receivable and pursue collection diligently until the amount is either collected or the City Council is satisfied and approves the claim.

SECTION 3: PURCHASING MANUAL

The attached purchasing manual is hereby adopted and by this reference and incorporated herein.

SECTION 4: PURCHASING AUTHORITY

A. Authorization/Forms:

- All purchases less than \$ 15,000 must be approved by a Department Director and the City Manager.
- All purchases in excess of \$ 15,000 must be approved by the City Council, unless an emergency situation exists.

The above approvals must be made by signature on a purchase order, voucher, invoice or a personal expenses reimbursement form, as appropriate. (See Attached Forms).

B. Budget Appropriations: All departments are encouraged to stay within the line item appropriations, however, if it is necessary to exceed the appropriation in one line item, the Department Director must compensate by under-spending in another line item to ensure that the total fund expenditures do not exceed the total fund appropriation.

C. Non-Budgeted Expenditures: All non-budgeted capital outlay expenditures must be approved by the City Manager.

D. Budget Amendments: If an expenditure/expense shall cause a fund to exceed the total budgeted appropriation for the fund a budget amendment ordinance shall be prepared and submitted to the City Council for approval before expenditure is incurred. Council consensus to approve a future budget amendment that includes the cumulative affect of all of budget adjustment items for a specific period will also satisfy the authority to spend requirement. The City Council must approve the budget amendments prior to the end of the year.

E. Multiple Year Budgets: Multi-year and capital project budgets are defined as non-operating/special purpose budgets where appropriations do not lapse at year end and are approved for those funds authorized under State law. Such budgets will be authorized by the City Council and will not pass at calendar year end, but will continue until the purpose of the project or fund has been completed. Such budgets may be amended from time to time by the City Council, whether for an individual project, or for the total fund where projects do not exist within the account structure.

SECTION 5: PURCHASING PROCESS

A. General Procedures: An invoice must have the authorization signatures denoted in Section 3 of this resolution along with vendor name and address, description of goods or services being purchased, cost, account number to be charged, and balance of long-term project payments, purchase amount and a dated and authorized department signature that will be forwarded to the Finance Department. The Finance Department will merge the receiving copy, and the original invoices (or authorized substitute, as may be required by the City Manager or Finance Director), perform an accounts payable audit on the voucher package, and prepare checks following data entry into the City's accounting system.

- B. Petty Cash Funds:** The City shall have a working petty cash fund of \$300 and a change fund of \$200. The use of such funds shall conform to guidelines established under State Law as follows:
- a. The City Council must approve all new petty cash funds or changes in the level of existing funds.
 - b. The City Council shall appoint the Finance Director or his/her designee as the petty cash custodian.
 - c. Working fund type petty cash funds are to be used to facilitate small purchases, not to exceed \$50.00 unless specifically authorized by the City Manager or his/her designee.
 - d. Petty cash shall be replenished, at a minimum, once quarterly by check payable to the appropriate custodian and petty cash account.
 - e. Recording of petty cash accounts should be properly segregated from other cash accounts on the City's balance sheet statement.
 - f. The replenishing of petty cash should follow the same review and approval as processed invoices.
 - g. The petty cash fund may not be used for personal cash advances even if secured by check or other IOU's.

- C. Competitive Bidding:**
- a. Procedures for public works contracts or purchases shall be governed by RCW35A.40. Contracts that require competitive bidding under State law shall be awarded according to the procedures set forth in RCW 35.23.352. No contract for construction of public works less than the threshold amount required for competitive bidding shall be awarded without approval of the City Manager, except in the event of emergencies. The department head, in requesting approval, shall submit evidence that the recommended contract is the best possible price. Such evidence shall be retained in department files and copies submitted with the payment voucher. In accordance with the Revised Code of Washington such procedures may be waived in the event of an emergency.
 - b. Although not required, it is encouraged that the City will bid for the purchasing of materials, supplies, or equipment unconnected with a public works project. The City must use the competitive bid process for purchasing public works projects and must comply with the applicable limits set for the Limited Small Works

Process.

- c. Small Works Roster: In addition to the above procedures, the City may use a Small Works Roster and award contracts within the limits set by RCW 39.04.155. The City recognizes the ECityGov Alliance Shared Procurement Portal as its small Works Roster.
- d. Intergovernmental Purchases and Bidding: RCW 39.34.030, a section of the Interlocal Cooperation Act, authorizes cooperative action, including joint purchases by different governmental entities. Under this act, the City has entered into agreement with the State Department of General Administration that authorizes the City to purchase through the Department of General Administration without going out to bid. The City may also enter into other purchasing arrangements with other government entities.
- e. Rejection of Bids: After review, bids may be rejected by the City Manager for cause. "Cause" shall be defined as those found in Washington state law and/or any failure to meet the bid call. Any bidder may appeal the rejection of bids by the City Manager to the City Council by making a written request to the City Clerk not more than 5 business days after notification of the bid rejection. If an appeal is filed, the appeal before the City Council shall be heard as soon as practicable after the appeal notice is given to the City Clerk.

D. Fixed Assets and Depreciation: General fixed assets are to be defined and accounted for in compliance with generally acceptable accounting standards. Assets owned by proprietary funds are to be depreciated and accounted for in a like manner. The Finance Director will determine the minimum threshold cost of capital outlay expenditures that shall be recorded as fixed assets of the City. The currently recommended threshold shall be \$5,000 for both general fixed assets and proprietary assets. All fixed assets are valued at historical cost (or estimated cost, where historical cost is not known/or estimated market value for donated assets/or the lower of cost of fair market value when transferred between proprietary funds and the general fixed assets account group).

SECTION 6: EMPLOYEE EXPENSES

- A. **General**: It is the City's policy to encourage continued education and training for all employees and to endorse professional affiliations where the City may derive benefit by the increased or continued competence of its staff or from those professional relationships that carry a significant public relations advantage for the City.
- B. **Credit Cards**: Refer to the City of Sammamish Credit Card Policy.
- C. **Authorized Expenses**: The City shall pay all reasonable costs that relate to employee travel. These include registration fees, room, board, tips (not to exceed 15% of meals) and mileage for the employee only. Non-allowable

expenses include expenses of a spouse or other unauthorized person, personal entertainment, beauty/barber shop, personal postage/telephone, and other non-business related expenses unless specifically authorized by the City's travel and reimbursement policy. (Refer to the City of Sammamish Travel Policy).

D. Mileage: It is recommended that all City personnel use a City vehicle when traveling on official City business, unless a City vehicle is not available or it is determined by a Department Director that it is not in the best interest of the City due to the length of time such a vehicle shall be unavailable for other City use.

(Refer to the City of Sammamish Travel Policy, Section 3.1).

E. Employee Reimbursement: Reimbursement procedures for out-of-pocket expenses will be through the normal claims process. (Refer to Section 4). The employee shall prepare a "personnel expense reimbursement" form (see attached), as may be established by the City Manager and Finance Director, attach required receipts, obtain approval signatures, and submit for claims payment. Where administrative policy allows petty cash to be used for small City business expense reimbursements (less than \$50.00), the applicable form should be prepared in like manner and submitted to the petty cash custodian. (See attached form).

SECTION 7: ADMINISTRATIVE PROCEDURES

The City Manager is authorized to establish additional policies and procedures, or modify existing policies and procedures, to facilitate administrative compliance with the City's Purchasing policies and practices established herein, and/or comply with other state or federal mandated financial policies.

If any provisions of this Resolution are determined to be invalid or unenforceable for any reason, the remaining provisions shall remain in force and affect.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 3rd DAY OF DECEMBER, 2013



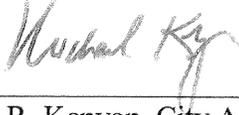
Mayor Thomas T. Odell

Attest:



Melonie Anderson, City Clerk

Approved as to form:



Michael R. Kenyon, City Attorney

Filed with the City Clerk:	November 22, 2013
Passed by the City Council:	December 3, 2013
Resolution No.:	R2013-558