



# Purchasing Process Improvements

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March 2025



# Purpose

To solicit input from the Council on the proposed scope of work for the purchasing improvement initiative funded in the 2025-2026 biennial budget. An overview of the current state of the purchasing division and process improvement efforts made so far will be presented to provide context for the discussion.

- Overview of the Purchasing division
- Current Purchasing policies
- Proposed policy revisions
- Proposed signing revisions
- Statistics

# Agenda

- Overview of purchasing division
- Prior process improvements and efficiencies gained
- Proposed scope of work for new improvement initiative
- Current policy review effort
  - Contract Amendment Approvals policy - Proposed change
  - Signing Limit Authorities - Proposed change



# Purchasing Division Overview

# Purchasing Division

Ensures legal compliance with purchasing practices:

- Issuing formal solicitations (requests for proposals, bids and qualifications)
- Obtaining informal quotes
- Matching needs to vendors
- Validating appropriate city approvals
- Preparing and maintaining purchase orders and contracts
- Prevailing wage documentation for public works
- Work with AP to resolve payment issues and process invoices for payment
- Insurance and bonding validation
- Small Works Roster
- Surplus
- Uniforms
- New Vendor Setup
- Vendor Collaboration

# Purchasing Division

## Staff overview and statistics

- Three Senior Purchasing Agents
- 2080 PO's issued in 2024
- 173 PO's per month (average)
- 50 formal solicitations issued in 2024
- 933 invoices paid per month (average)
- 325 PR/PO NBU line workflow approvals per month (average)
- \$27,690,176.61 spent from PO's in 2024

# Process Improvements & Efficiencies

Streamlining PO/PA process, PO's for most purchases

Labor PO tracking process

Policies and Procedures

Template updates

Improved uniform order process

Approvals

PO rollovers/Year-end process

Data collection for spend and programs

Concur

Electronic bids

Sustainable Purchasing guidelines



# Proposed Scope of Work



# 2025-2026 Initiative

- Sealed bidding
- Contract boilerplates updates
- Contract management process review and system implementation
- Training and resource guides
- Continued Purchasing policy review
- Request for proposals (RFP), information (RFI), qualifications (RFQ), and Invitation for Bid (IFB) processes review
- Bidding process review, Solicitation advertising notifications
- Vendor Portal
- A/P Automation
- Develop citywide spend analytics system and reporting process
- Complete report development
  - DEI (Diversity, Equity & Inclusion)
  - Environmental Sustainability
  - Spend reports

# Policy Review

Contract Threshold Amendment Approvals – Proposed Change

# Drivers for Proposed Change

(Contract Threshold Amendment Approvals)

The policy is in place to ensure that Council approval is sought when required.

Drivers:

- Existing policy is unclear on how cumulative amendments affect the Council threshold
- Proposed policy would create consistency, provide clear path for amendment approval requirements
- Increase internal controls
- Create process efficiency

# Contract Amendment Approvals

## Current Policy

For non-public works contracts, a contract with no renewal provisions is approved within the guidelines for the classification of the purchase type (i.e. a contract amendment needs Council approval when the amendment itself exceeds the Council threshold).

## Proposed Policy

For non-public works contracts, an amendment will need Council approval under the following conditions:

- If a contract was not initially routed to Council but the total cumulative contract amount is now greater than the Council threshold.
- If a contract was initially routed to Council and now the total cumulative amendment amount exceeds the Council approval threshold (when there are no renewal provisions)
- Exception (no change to existing policy): if a contract was approved by Council and contained renewal provisions, then there is no requirement to take the renewal agreement back to Council

# Policy Review

Contract Signing Authority Limits – Proposed Change

# Drivers for Proposed Change

(Contract Signing Authority Limits)

The policy is in place to comply with RCW's and City Policy.

## Drivers:

- Evolving economic landscape
  - Inflation
  - Tariffs
  - New period of risk to global supply chain
  - Rising construction costs
- Improved procurement procedures
  - Strengthened internal controls
  - Increased reporting and auditing capabilities
- Efficiencies for staff, City leadership, Council, and vendors
  - Avoid delays to project schedules and season-specific work
  - Clarity to the purchasing policies

# Threshold Policy

## Current Policy

Bidding and signing limits are currently based on the annual amount of a contract.

Exception: For Public Works and Architectural & Engineering Services, bidding and signing limits are based on the total project amount.

## Proposed Policy

For all purchase types, the bidding and signing limits are based on the total contract amount, regardless of the number of calendar years in the contract term.

# Council Signing Authority and Proposed Changes

Type of Purchase	Current Threshold	Proposed Threshold
Operating Supplies & Equipment	None	None
Operating Services, Repair & Maintenance, and General Services	None	None
Professional Services (including Technology)	Over \$50,000 annually	Over \$150,000 total project
Instructional & Artistic Services	Over \$75,000 annually	Over \$150,000 total project
Architectural & Engineering Services	Over \$50,000 total project	Over \$150,000 total project
Public Works	Over \$300,000 total project	Over \$700,000 total project
Sole Source	Over \$50,000 annually	Over \$50,000 total project
Interlocal Agreements (including Grants)	All	All
Collective Bargaining Agreements	All	All



# Next Steps

- Council Direction
- Council briefings and discussions at milestones and decision points.

# Thank You

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## Any Questions?

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