

October 30, 1995

Introduced By: Brian Derdowski

jym

Proposed No.: 95-464

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ORDINANCE NO. **12017**

AN ORDINANCE relating to the execution of blanket purchase orders for goods and services by King County, execution of change orders to existing contracts, and adding a new sections to K.C.C. 4.16.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Findings. The King County council finds that the information contained in the recent audit by the King County auditor pertaining to the use of temporary worker contracts by the department of metropolitan services raises questions regarding the appropriate future use of blanket purchase orders and change orders.

Therefore, the council finds that it is in the best interests of both the general public and King County government to establish policy and regulations governing adherence to the requirements of state law and county ordinances for the use of blanket purchase orders and change orders within all departments of the executive branch of King County government.

SECTION 2. A new section is added to K.C.C 4.16 to read as follows: **Blanket purchase orders.** All departments of the executive branch of King County government shall be constrained by the following definitions and procedures for the issuance and modification of blanket purchase orders:

A. **Definitions.** A "blanket purchase order" is a contract with a qualified source(s) of supply to fill

1 anticipated repetitive needs for nonspecific quantities of
2 supplies, equipment, materials and non-professional services.
3 The purpose of blanket purchase orders is to reduce
4 administrative costs by eliminating the need for issuing
5 individual purchase orders.

6 **B. Procedures for establishing blanket purchase**
7 **orders.** Blanket purchase orders shall be subject to a
8 competitive procurement process conducted by the manager of
9 the King County purchasing agency or its successor
10 organization. Specific supplies, equipment, materials and
11 non-professional services and quantities may be estimated but
12 shall be based on historical and/or projected usage provided
13 by the using departments. Estimated supplies, equipment,
14 materials and non-professional services and quantities shall
15 be reasonably accurate in order to ensure maximum practicable
16 competition as determined by the purchasing manager.
17 Multiple awards of contracts are encouraged where such awards
18 will increase competition and encourage reliability. When
19 multiple awards are made, the low bidder shall be designated
20 as the primary vendor and shall be the first vendor contacted
21 as a source of supply unless waived by the purchasing
22 manager. Executive departments shall designate authorized
23 users of the blanket purchase orders by written notification,
24 through the King County purchasing manager, to the vendor(s).

25 **C. Award of blanket purchase orders.** A. Blanket
26 purchase orders may be awarded for an initial contract period
27 not to exceed one year and may contain options to extend for
28 no more than two periods, not to exceed one year each.
29 Decisions to extend blanket purchase orders shall be made by
30 the King County purchasing manager after performing a written

1 market analysis determining whether extending the blanket
2 purchase order or rebidding the contract is most advantageous
3 to King County. Blanket purchase orders shall be rebid prior
4 to expiration of the final option period to ensure a new
5 contract(s) is in place upon expiration of an existing
6 blanket purchase order(s).

7 B. Exceptions to the above requirement to award one
8 year purchase orders, and to extend them for a maximum of two
9 one year periods, may be made in those instances where a
10 demonstrable financial or other benefit to the county is
11 based on analysis and can be documented in writing by the
12 purchasing manager.

13 D. Spending limitations on blanket purchase orders.
14 Blanket purchase orders shall identify annual spending
15 limitations based upon total expected acquisitions as
16 identified by each using department. The spending
17 limitations shall be updated only through written change
18 orders approved by the purchasing manager or his or her
19 designee within the purchasing agency.

20 SECTION 3. A new section is added to K.C.C 4.16 to read
21 as follows: **Change orders.** All departments of the executive
22 branch of King County government shall be constrained by the
23 following definitions and procedures for the issuance and
24 modification of change orders and contract amendments:

25 A. **Definition.** A "change order" or "contract
26 amendment" is a written modification, signed by the
27 purchasing manager or his or her designee within the
28 purchasing agency, directing the vendor to make changes
29 within the scope of an existing contract.

1 The terms "scope of contract", "scope of work" or
2 "scope of an existing contract" shall mean work within the
3 area of performance fairly and reasonably foreseeable by the
4 contracting parties at the time they entered the contract.

5 B. **Procedures for issuing contract change orders.**

6 Change orders or contract amendments shall be used for any
7 increases in contract amounts or changes in the goods or
8 services to be delivered. Change orders shall reasonably be
9 within the scope of work as defined herein. All contract
10 amendments or change orders shall be consistent with the
11 terms and conditions of the contract. Such consistency shall
12 be certified by the purchasing manager or his or her
13 designee. The purchasing manager or his or her designee shall
14 administer rules and procedures to insure that designees
15 implement the requirements of this section. Requests for
16 change orders shall be accompanied by adequate written
17 justification provided by the using departments when the
18 change order:

19 (i) is to add work outside the scope of the existing
20 contract,

21 (ii) exceeds the competitive bidding requirement,

22 (iii) causes the contract amount to exceed the
23 competitive bidding requirement, or

24 (iv) in the aggregate with previously issued change
25 orders, exceeds the competitive bidding requirement.

26 SECTION 4. Implementation. A new section is added to
27 K.C.C 4.16 to read as follows: A. The manager, King County
28 purchasing agency, or of its successor organization, shall
29 promulgate interim rules and procedures implementing the
30 requirements outlined above consistent with the authority

1 granted to executive agencies for rule-making in K.C.C. 2.98;
2 and shall prepare and forward to the council for its
3 consideration any legislation as may be needed to meet the
4 intent of this ordinance. Final rules and procedures shall
5 be developed and implemented by June 1, 1996.

6 B. This ordinance shall go into effect January 1, 1996.

7 INTRODUCED AND READ for the first time this 26th
8 day of June, 1995.

9 PASSED by a vote of 13 to 0 this 30th day of
10 October, 1995.

11 KING COUNTY COUNCIL
12 KING COUNTY, WASHINGTON

13 Kent Pullen
14 Chair

15 ATTEST:

16 Gerald G. Peter
17 Clerk of the Council

18 ~~APPROVED~~ this 9th day of November, 1995
V E T E O D

19 Samy Locke
20 King County Executive

21 Attachments:



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King County Executive

GARY LOCKE

CLERK

KING COUNTY COUNCIL

November 9, 1995

The Honorable Kent Pullen
Chair, King County Council
Room 1200
COURTHOUSE

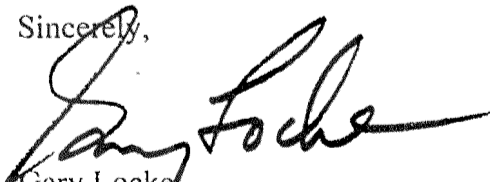
Dear Councilmember Pullen:

I hereby respectfully return to the County Council Ordinance No. 12017, which I have vetoed for the following reasons.

Ordinance 12017 attempts to address a number of issues related to the processing of blanket purchase and change orders. I agree with the strong sense of the Council that these issues should be addressed in an ordinance of this kind. Following consultation with the Prosecuting Attorney's Office, however, I have reluctantly concluded that there are significant ambiguities in the ordinance as drafted, as well as legal issues related to the delegation of signature authority provisions, that require me to veto this ordinance.

In taking this action, I want to make it clear that I fully support the Council's intent to tighten controls over key procurement and contract administration activities. I believe it is critically important to King County government that we continue to work hard to ensure that all of the public's tax dollars are spent wisely and that there is fair and equitable competition for the award of our public contracts. I will work closely with the Council and the Prosecuting Attorney's Office in the next few weeks to prepare new ordinance language addressing these important issues.

Sincerely,



Gary Locke
King County Executive

GL:jbd

cc: King County Councilmembers
Jerry Peterson, Council Administrator/Clerk
Norm Maleng, King County Prosecuting Attorney
Richard Holmquist, Chief Civil Deputy
Charles N. Earl, Deputy County Executive
Jean Baker, Finance Director