

CITY OF SPOKANE ADMINISTRATIVE POLICY AND PROCEDURE	ADMIN 0500-19-01 LGL 2005-0007
TITLE: <b>MINOR CONTRACT AUTHORIZATION</b> EFFECTIVE DATE: September 1997 REVISION EFFECTIVE DATE: September 6, 2019	RECEIVED SEP 06 2019 CITY CLERK'S OFFICE

1.0 GENERAL

1.1 The City enters into many routine minor contracts. The City Charter requires all written contracts, to which the City is a party, be signed by the Mayor or Council President under the direction of the City Council. In section 7.06.260(A) of the Spokane Municipal Code (SMC), the council "directs and authorizes the mayor to execute minor contracts without individual approval of each contract by the city council." The City Administrator, Division Directors and Department Heads have been delegated contract signature authority by the Mayor under Executive Order 2017-0002. SMC 7.06.260(A) further states, "The mayor may, upon his/her own volition, place any specific contract on the agenda for individual council authorization as he/she may see fit." The City Charter gives the Director of Parks and Recreation contract signatory authority for Park Fund expenditures.

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2.0 DEPARTMENTS/DIVISIONS AFFECTED

This policy shall apply to all City Departments and Divisions except the Spokane Public Library and the Parks and Recreation Department.

3.0 REFERENCES

- SMC 7.06.060
- SMC 7.06.260
- Executive Order 2017-02
- Executive Order 2011-01
- Administrative Policy and Procedure ADMIN 0410-17-1

## 4.0 DEFINITIONS

- 4.1 "Minor Contract" involves a net revenue or expense (excluding sales tax and state filing fees) of \$50,000 for the calendar year or less within a twelve (12)-month period; and is of a routine nature; provided the total expense (excluding sales tax and filing fees) does not exceed a total of \$130,000 (for the calendar year) over the term or life of the contract (not including renewals). NOTE: The dollar threshold may be adjusted annually each January, based on an average of the CPI-U and CPI-W indices.

For example, if you had a three (3)-year contract with \$50,000 compensation each year, it would need to be approved by City Council since the total expense of \$130,000 over the whole term or life of the contract exceeds the \$130,000 threshold.

## 5.0 POLICY

- 5.1 It is the policy of the City of Spokane to process and execute contracts in an expeditious and efficient manner.
- 5.2 The following contracts may be processed by the Minor Contract Summary process (known as a "Blue Sheet"):
- a. contracts of \$50,000 or less (\$130,000 for term or life of the contract)
  - b. renewal contracts of \$50,000 or less (\$130,000 for term or life of the contract)
  - c. extensions of contracts
    - i. contract including extension is \$50,000 or less (\$130,000 for term or life of the contract)
    - ii. extension cost is within ten percent (10%) of original contract amount
    - iii. no-cost extensions
  - d. name changes
  - e. assignments
  - f. change in payee address
  - g. minor amendments in wording
  - h. increase in contract price up to ten percent (10%) of original contract amount

### 5.3 Housekeeping Changes / Clarifications

5.3.1 Examples of housekeeping changes/clarifications include, but are not limited to: no-cost extensions, changes in remittance address for payments, change in contractor's name (tax ID number remaining the same), and increased encumbrances (where revised contract total remains within the current Minor Contract dollar limit and the contract did not specify a specific maximum dollar amount).

5.3.2 Housekeeping changes/clarifications may be made on the Minor Contract summary form without need for an attached signed contract document.

5.4 Certain contracts have templates that have been pre-approved by the City Attorney's Office. These forms are located on the City's internal SharePoint website, and do not require further legal review, unless changes are desired by the Department or contractor.

5.5 Grant acceptance, subrecipient agreements and contracts with firms providing goods, services and public works involving grant funds need the prior approval of the City Director of Grants Management and Fiscal Assistance (GMFA).

5.6 A matrix summary of the signature delegation authority for Minor Contracts follows:

# CONTRACT MATRIX

## CONTRACT SIGNATURE

IF	AND	USE FORM	DEPT	DIVISION	LEGAL
PERSONAL SERVICE CONSULTANT SERVICE CONSULTANT SERVICE – ARCHITECT & ENGINEER	Up to \$3,000	Voucher Payable (VP)			
	\$3,001 - \$10,000	Minor Contract Summary & Template	X		
	\$10,001 - \$50,000	Minor Contract Summary to Legal		X	X
AMENDMENT	An alteration or change to an existing contract. It is normally used for wording changes.	Minor Contract Summary & Template		X	X
ADDENDUM	Additional work added to an existing contract.	Minor Contract Summary & Template		X	
ASSIGNMENT	The transfer of rights, duties, and interest in a contract from one company to another.	Minor Contract Summary & Template	X		X
CONTRACT EXTENSION WITH COST	Continues an existing contract for an additional time period. It has the same terms and conditions except will have price changes.	Minor Contract Summary & Template		X	
CONTRACT EXTENSION NO-COST	Continues an existing contract for an additional time period. It does not provide for additional compensation. It has the same terms and conditions.	Minor Contract Summary & Template	X		
OTHER CONTRACTS	\$3,001 - \$10,000	Minor Contract Summary To Legal	X		X
	\$10,001 - \$50,000	Minor Contract Summary To Legal		X	X
PUBLIC WORKS	Up to \$5,000	Service & Repair Order (SR)			
	\$5,001- \$10,000	Quote & Minor Contract Summary to Legal	X		X
	\$10,001 - \$50,000	Quote & Minor Contract Summary to Legal		X	X
CHANGE ORDER	A written order to the contractor, issued after execution of the construction contract, which authorizes a change in the construction work, contract time and/or amount.	Minor Contract Summary SharePoint Template Increase in contract price up to ten percent (10%) of original contract amount (max of \$100,000)		X	
		Minor Contract Summary to Legal		X	X
FINAL ACCEPTANCE	Documents the acceptance of a completed Public Works project. It begins the Bond and Retainage claim period.	Final Acceptance Template		X	
SOFTWARE / HARDWARE MAINTENANCE	Up to \$10,000	Department Order (DO)			
REAL ESTATE RELATED DOCUMENTS	Leases, use agreements, covenants, etc...	Minor Contract Summary To Legal		X	
	Deeds, easements, etc...		City Administrator		

## 6.0 PROCEDURE

### 6.1 Minor Contract Authorization Summary Form Preparation

6.1.1 Access the "Minor Contract Summary Form" on the City's internal SharePoint website. The form is sometimes called the "Blue Sheet" for the City.

6.1.2 Follow instructions within the Minor Contract Summary Form.

### 6.2 Contract Preparation / Administration

6.2.1 The Department shall:

- a. Obtain quotes per City purchasing policy.
- b. Negotiate the best possible price/cost and resultant contract terms, when not a Public Works bid.
- c. Obtain "approval as to form" by Office of the City Attorney.
- d. Have an authorized person from the contractor's firm sign the contract, making sure to include its Certificate Of Insurance (COI), and copy of City of Spokane business registration number.
- e. Follow appropriate City signature authorization levels per section 5.6.

6.2.2 Submit contract and Minor Contract Summary to City Clerk's office for final processing.

### 6.3 Audit Overview

6.3.1 The Finance and Administration Division shall establish audit procedures to perform a semi-annual internal audit to review compliance with this policy. The audit procedures will be designed to provide reasonable assurance that the Minor Contract procedures and authorizations, as defined in this policy are being followed by City Departments. Additional audits may also be performed on an as-requested or as-needed basis.

6.3.2 The results of each semi-annual audit will be summarized and reported to the City Administrator.

6.3.3 The City Administrator will follow up on any negative audit findings. Failure to comply with this policy could result in signature delegation authority being withdrawn, or disciplinary action as appropriate.


7.0 RESPONSIBILITIES

The City Attorney, with cooperation from the Finance and Administration Division Director, is responsible for administering this policy.

8.0 APPENDICES

Minor Contract Summary Form  
Minor Contract Summary Form Instructions

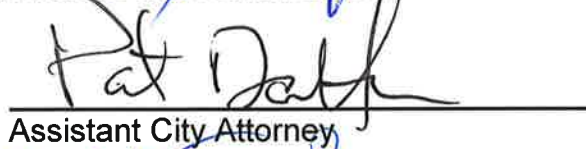
APPROVED BY:

  
\_\_\_\_\_  
City Attorney

9-6-19  
Date

  
\_\_\_\_\_  
Finance and Administration Division Director

9-6-19  
Date

  
\_\_\_\_\_  
Assistant City Attorney

9/5/19  
Date

  
\_\_\_\_\_  
Theresa Sanders  
City Administrator

9/6/19  
Date



# City of Spokane

## Minor Contract Summary

OPR # \_\_\_\_\_  
 Cross Ref \_\_\_\_\_  
 Destruct Date \_\_\_\_\_  
 Clerk's Dist. \_\_\_\_\_

**Incomplete submissions will be returned to the Department until all requirements are met.**  
 (Summary to be printed on blue paper)

Department Name \_\_\_\_\_  
 Department Project # \_\_\_\_\_

New Contract   
 CR # \_\_\_\_\_  
 Date: \_\_\_\_\_

**Contractor/Consultant**

Name: \_\_\_\_\_  
 Address: \_\_\_\_\_ Remittance Address: \_\_\_\_\_  
 City, State, Zip: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

**Summary of Services**

Amount: \_\_\_\_\_ Budget Code: \_\_\_\_\_  
 Maximum Amount: \_\_\_\_\_  
 Beginning Date: \_\_\_\_\_ Expiration Date: \_\_\_\_\_ Open-Ended:

- Quotes (per Purchasing Policy to be kept on file in Dept.)
- Insurance Certificate (attach to the contract)
- City Business Registration (attach verification that a current business license number exists)
- If Public Works Contract, Contractor has been notified of State Law requirements.
- Grant Related (if the contract is grant related, the Grants Management Department must sign below)
- Vendor is already set up for ACH payments or the *Accounts Payable Vendor ACH Enrollment Form* has been submitted to Accounting. Do not attach ACH form to the contract documents.

**Department Verification Statement: My signature below verifies that all documentation has been completed.**

Requestor/Verifier/Contact: \_\_\_\_\_  
 Funds are available in the appropriate budget account

Accountant	_____	_____
	Signature	Date
Department Head	_____	_____
	Signature	Date
Other	_____	_____
	Signature	Date
Grants Mgt. (if applicable)	_____	_____
	Signature	Date

**Distribution List**

Contractor E-mail: _____	Contract Accounting
Dept. Contact E-mail: _____	Taxes and Licenses
_____	_____
_____	_____

## Minor Contract Summary Form Instructions

FORM FIELD	INSTRUCTIONS
OPR #	If new contract, leave blank to be completed later by City Clerk. If an extension, assignment, change order, etc. to an existing contract, enter that contract's OPR #.
Cross Ref	OPR # of previous contract for renewal, resolution #, etc...
Destruct Date	To be completed by City Clerk
Clerk's Dist.	To be completed by City Clerk
Department Name	Submitting Department name (not budget number)
Department Project #	Project number, work order number, etc...
New Contract	Check box if a new contract
CR #	New contract requisition number encumbering current funds
Date	Date Minor Contract Summary created
Contractor/Consultant Information	
Name, Address, City, State, Zip	Name, Address, City, State, Zip of Contractor/Consultant
Remittance Address	Remittance Address, City, State, Zip if different
Summary of Services	Brief summary of services to be provided
Amount	Total amount of the contract or if a multi-year contract the yearly encumbrance may be shown on separate lines along with the year, such as: 2018 \$5,000 2019 \$5,000
Budget Code	Budget codes used for encumbering current funds. If more than one (1) budget code, make sure that the dollar amount lines up on the Minor Contract Summary with the appropriate budget line.
Maximum Amount	If an hourly rate or unit price contract, enter the Not To Exceed (NTE) amount. Contracts based on a unit price must include related pricing
Beginning Date	Beginning date of contract
Expiration Date	Ending date of contract
Open-Ended	Check box if no expiration date
Quotes	Check box to indicate compliance with City quote policy. Quote/sole source justification/emergency justification documents are to be kept on file in the Department.
Business Registration	Check box. Make sure to attach business registration number to contract. If no current registration, contact Contractor/Consultant.
Insurance Certificate	Check box – Make sure to attach insurance certificate to contract. If no certificate, contact firm unless contract does not require certificate.
If Public Works Contract, Contractor has been notified of State Law Requirements	Check box to indicate the Contractor has been notified of State Law requirements.
Grant Related?	Check box to indicate if the contract is grant-related or not. If so, the Grant Department must sign off on the form. Please include Sally Stopher on the distribution list as well.
ACH	Check box to confirm if Contractor is already set up for ACH payments. If not, the <i>Accounts Payable Vendor ACH Enrollment Form</i> must be submitted to Accounting. Do not attach ACH form to the contract.
Requestor/Verifier/Contact	Signature of person verifying the above provided information is correct and that all documentation has been completed
Accountant	Signature / Date (verifying sufficient funds are available)
Department Head	Signature / Date
Other Signatures	Signature / Date (if applicable). This can be the Division Director, other Department heads, Director of Grants Management, or any other applicable signatures.
Distribution List	
Contractor E-mail	E-mail address of Contractor/Consultant
Dept. Contact	E-mail address of person(s) to receive final copy of documents. Use first initial and last name for City employees.
Contract Accounting	
Taxes & Licenses	
Blank Boxes	Additional Departments, persons to receive final copy of documents