



City Council

Approval of an Ordinance Amending Chapter 3.16 of the Olympia Municipal Code for Consistency with State Law Related to Contracts

Agenda Date: 7/9/2024
Agenda Item Number: 4.K
File Number:24-0573

Type: ordinance **Version:** 1 **Status:** 1st Reading-Consent

Title

Approval of an Ordinance Amending Chapter 3.16 of the Olympia Municipal Code for Consistency with State Law Related to Contracts

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to approve an ordinance amending Chapter 3.16 of the Olympia Municipal Code for consistency with State law related to contracts.

Report

Issue:

Whether to approve an ordinance amending Chapter 3.16 of the Olympia Municipal Code for consistency with State law related to contracts.

Staff Contact:

Sean Krier, City Clerk, 360.753.8110

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The Washington State Legislature passed a bill that addresses local government procurement. The bill impacts Chapter 3.16 of the Olympia Municipal Code which governs contracts. The proposed code revisions align with the updates made by the State Legislature.

Below is a summary of the changes:

- Small works roster bid threshold limit increased to \$350,000.
- Removal of public works procurement processes which are no longer permitted by state law.

- Reduced the required size of payment and performance bonds for public works projects from 100% of the contract amount to no less than 25% of the contract amount. Large performance bonds can be a prohibitively expensive upfront cost that prevents small businesses from bidding on public works projects.
- Minor edits to improve readability.

If approved by the City Council, these changes will go into effect on July 30, 2024.

Climate Analysis:

This item does not have any climate impacts.

Equity Analysis:

Reducing the required size of performance bonds will make it easier for small businesses to bid on small public works projects.

Neighborhood/Community Interests (if known):

There are no known community interest related to this Ordinance.

Financial Impact:

This item does not have a financial impact.

Options:

1. Approve the ordinance amending Chapter 3.16 of the Olympia Municipal Code - Contracts.
2. Direct staff to modify the ordinance amending Chapter 3.16 of the Olympia Municipal Code - Contracts based on Council feedback.
3. Do not approve the ordinance amending Chapter 3.16 of the Olympia Municipal Code - Contracts.

Attachments:

Ordinance