

City and Borough of Wrangell

Policy to hire contractors when a formal bid is not required

The City and Borough of Wrangell will create a pool of qualified local contractors which can be hired by the city when needed. The purpose of the pool is to be sure contractors hired qualify and to be sure that all contractors that qualify are given an equal opportunity to participate in work that the city hires out. The Borough Clerk will annually advertise in the paper for interested contractors to sign up and provide the necessary paperwork to be put on the list.

1. To qualify, a contractor must provide the following no less than annually:
 - A. Proof on Liability Insurance in the amount of \$500,000 for their business in which the borough work will be conducted. The borough will be required to be named as an additional insured.
 - B. Proof of Workers Compensation if there are employees doing any of the work or as required by state law.
 - C. Current Contractors license listing areas of expertise that the contractor is licensed to do work in.
 - D. Current State of Alaska Business License.
 - E. Must be current with City and Borough of Wrangell Sales Tax Returns.
 - F. If the State or City require some other license or specific training to do particular types of work, those documents must also be provided.
 - G. Contractor will submit rates for the various services they provide. If this involves rental rates for equipment or other items, rates need to be included for each item rented. Rates need to be on file at the time the city asks for work to be done or if a quote is request at the time the quote is submitted.
 - H. The required documentation can be submitted at any time to be put on the list.
 - I. Contractors are welcome to update information at any time.

The Borough Clerk will create a master list of qualified contractors:

- All documentation will be delivered to the Borough Clerk.
- The Borough Clerk will also require at this time for the contractor to sign a basic work agreement for any work that may be done by the contractor in the future.
- The clerk will manage the master list which will be sorted by the type of work each contractor does. The list will have all of the contact information and there will have the priority list on which contractor will be called first. The initial priority list will be selected by a random drawing.
- Rules to apply in the selection process:
 1. The clerk will manage the list as it will need to be in a centralized location
 2. A department head would turn in a request for a certain job to be done, the time period it needs to be done in and the type of contractor that would qualify to do the job.
 3. The clerk would go to the list and provide the name of the next person on the list with the skill set to do the job to the department head.
 4. If the contractor accepts the job, a purchase order would be issued that would have the job description, an estimate of the cost of the job and the time period in which the job would be required to be completed. The contractor would then go to the bottom of the list.

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5. If a contractor is contacted for work and is unable to do the work for any reason, the contractor would go to the bottom of the list.
6. Department Heads will be required to fill out an assessment form if the contractor does one of the following:
 - Work is not completed in the time period required.
 - Quality of Work was done in an unacceptable manner and the contractor was not willing to correct deficiencies within the original cost and within a reasonable period of time.
 - The cost of the job ends up substantially more without justification that additional work had to be done or some other explanation why the price was different than originally agreed upon.
 - Other deficiencies with the project.
7. If a contractor gets two deficiency assessments on three different jobs, they may be removed from the list during the current year unless circumstances beyond their control contributed to the issues and those circumstances can be documented.
8. If a contractor has not finished a project that is beyond the accepted date, no further work will be assigned until that project is finished. This can be waived if it is an emergency situation as described below under special circumstances.

Special Circumstances where a department heads does not have to use the next person on the list:

- In the case of an emergency where time is of the essence and a delay would result in loss of life, damage to property, public health or some other reason where it is urgent, a department head may call anyone on the list. A list will be e-mailed each Friday to the department heads showing the next contractor on the list which they will use if there is any emergency work on a weekend.
- If the list is to be managed by the clerk, there are times during hours that someone may need to be hired in off hours and the department head will hire who he believes is next on the list. He will check in with the clerk after the fact and the person who was hired will go to the bottom of the list.
- There may be a situation that the department head feels that there is an area that extensive experience or training is necessary and the importance of the task warrants choosing the most qualified even though others are listed for that service. The department head needs to have very sound reasoning before this is allowed and the Borough Manager shall be required to approve the request.

Monetary Thresholds for hiring contractors:

Currently, the Wrangell Municipal Code allows amounts below \$10,000 to be purchased without bidding, quotes or other means of some selection process. Work required that is over \$10,000 and less than \$25,000 require at least 3 written quotes. Work over \$25,000 requires the city to advertise and receive sealed bids.

The purpose of this policy is to further restrict the ordinance for work less than \$10,000. The ordinance for work over \$10,000 will continue to work as is. The only exception would be that quotes would be solicited from any contractor on the list.

Policy to be adopted:

1. The list will be used to solicit written quotes between \$10,000 and \$25,000 where everyone on the list will receive an offer to submit a quote with a reasonable length of time to respond. Late responses will not be considered. The low bidder will not be penalized on the on-call list by moving by them down the list.
2. Department Heads will be required to solicit quotes from everyone on the list for items between \$5,000 and \$10,000. If quotes are solicited, the low bidder will not be penalized on the on call list by moving them down the list.
3. Any items where the price is expected to be less than \$5,000 are not required to solicit quotes. Those items will automatically go into the process of providing it to the next contractor listed assuming they can do the job in the time required and meet all other requirements.
4. If it is in the best interest of the city to phase a project in, each phase of the project will be treated as a separate project and the selection of a contractor will be chosen as if each phase was a new project.
5. When quotes are requested, the clerk will receive the quotes and notify the department head who to contact for the job. The clerk will scan and e-mail the quotes to all of those that submitted quotes.

General Statement:

It is the intent of the above process to provide a system where all contractors or renters of equipment be given an equal opportunity to participate in work for the borough. It is also the intent of the above policy to provide a list of contractors that are licensed, insured and qualified to do the various work required by the city. We understand that this system will not be perfect and probably will need some tweaking as time moves along and if portions of the policy are ineffective or inefficient, we will recommend the necessary changes as they happen. In addition, the Borough Clerk, Borough Manager and the Department Heads will review the policy annually. Any changes to the policy will require Borough Assembly approval.

The Borough reserves the right to make changes to this document with Assembly Approval when it believes it is in the best interest of the city to do so.