



**MUKILTEO WATER AND WASTEWATER DISTRICT**

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**PURCHASING POLICY MANUAL**

**EFFECTIVE JULY 28, 2019**

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# **GENERAL PURCHASING REQUIREMENTS**

## 1. INTRODUCTORY STATEMENT

Mukilteo Water and Wastewater District (District) is a rate-based utility and a special purpose district operating and existing pursuant to Title 57 of the Revised Code of Washington (RCW) recognized by the State of Washington. This document establishes policies and procedures for purchasing supplies and materials, and the contracting for services as governed by RCW 57.08.050, 39.04.190, other applicable Washington law, and District resolutions, policies and procedures.

## 2. PURCHASING CODE OF ETHICS

All District employees shall conduct themselves in a manner that follows this Purchasing Policy Manual and is in the best interest of the District.

*Proper purchasing procedure requires:*

- Actions of District employees be impartial and fair,
- District purchasing decisions are made by the proper authorities,
- Public employment is not to be used for personal gain. District employees may not solicit, accept, or agree to accept any gratuity for themselves, their families or others that would or could result in financial or personal gain, advancement, or establish or satisfy some obligation for or on behalf of the employee, the employee's family or friends. Purchasing decisions must be made impartially.

## 3. GIFTS AND GRATUITIES

Employees are expected to decline the acceptance of anything of value that may involve or imply an obligation including the performance of work on District customers' private property during non-working hours if such work is related to the customers or the Districts water or sewer system.

- District employees may not solicit, accept, or agree to accept any gratuity for themselves, their families or others that would or could result in personal gain. Personal gain may result not only in cases where an employee or relative has a significant interest in a firm with which the District does business but also when an employee or relative receives any gift or special consideration as a result of any transaction or business dealings involving the District. Purchasing decisions must be made impartially. The following items are not considered gratuities:
  - Discounts or concessions routinely available to the general public,
  - Items received that do not result in personal gain and/or are turned over to the District for general District use,
  - Sample products provided to the District for general District use.
  - An award publicly presented in recognition of public service:
    - Any gift which would have been offered or given to the employee if he or she were not a District employee
    - Advertising novelties not exceeding \$25.00 in value, which are widely distributed to others under essentially the same business relationship with the donor.

#### **4. POTENTIAL CONFLICTS**

If an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative he or she disclose to the General Manager as soon as possible the existence of any actual or potential conflict of interest so safeguards can be established to protect all parties.

Any employee is deemed to have a conflict of interest if the employee:

- Receives or has any financial interest in any sale to the District of any service or property when such financial interest was received with prior knowledge that the District intended to purchase such property or obtain such service.
- Engages in, accepts private employment from or renders services for private interest when such employment or service is incompatible with the proper discharge of their employment responsibilities or would tend to impair independence or judgment or action in the performance of their employment responsibilities.
- Discloses or uses, without legal authorization, confidential information concerning the property or affairs of the District to advance a private interest with respect to any contract or transaction which is or may be the subject of official action of the District.
- Uses their position with the District to make recommendations to the public regarding private contractors where they have a financial interest in the firm or company.
- Solicits, accepts or seeks anything of economic value of \$25.00 or more, on an occasional basis, as a gift, gratuity or favor from any person, firm or corporation involved in a contract or transaction which is or may be the subject of official action of the District.

#### **5. CREDIT CARDS**

RCW 43.09.2855 authorizes the use of credit cards for official government purchases and acquisitions. The General Manager is authorized to acquire credit cards in the name of the District. Following is the District's system for the distribution of credit cards, authorization and control of use, credit limits, payment of bills and other rules to implement or administer the credit card use system.

##### **5.1. CREDIT CARD DISTRIBUTION, CONTROL, LIMITS**

###### **5.1.1. DISTRIBUTION OF CREDIT CARDS:**

- All credit cards will be kept in a secure area with limited access, supervised by the Finance Manager.
- Exceptions: Gas credit cards and Home Depot cards will be issued to authorized personnel. The General Manager will be issued a District credit card for purchases and/or services as it relates to their duties at the District which all receipts will be turned in on a monthly basis for reconciliation by the Finance Department.

###### **5.1.2. AUTHORIZATION AND CONTROL OF USE:**

- Cardholders are authorized to use the card to purchase merchandise or services required as a function of their duties at the District. This includes purchase of food and/or non-alcoholic beverages for business meetings.
- The Finance Manager shall have control of all District credit cards and use of District credit

cards must be authorized by the General Manager, or his/her designee.

- The Finance Manager shall develop and maintain a list of all District credit cards. Current credit cards utilized by the District are Visa, Home Depot, Chevron, and PetroCard.
- The Finance Manager shall maintain all records pertaining to issuance and use of cards by officers and employees.
- The Finance Manager shall have authority to cancel credit cards as appropriate in the normal course of business.
- The Finance Manager is authorized to develop additional procedures to protect the security and accountability for credit card use with approval from the General Manager.
- All expenditures are contingent upon the General Manager's approval of the monthly statement of transaction. If an expenditure is deemed inappropriate, the assigned credit cardholder will be responsible for reimbursing the District.
- In the event of accidental use of District credit card (defined as using a District credit for a non-District related purchase or payment), the cardholder will reimburse the District for the full purchase price, plus any applicable fees, within five (5) days of the accidental use, or notification by the Finance Department of the accidental use.

#### 5.1.3. CREDIT CARD RULES GOVERNING USE FOR TRAVEL:

- Credit cards shall be used for authorized travel and business related expenses as set forth in this policy.
- Credit cards and receipts must be submitted to the Finance Manager or designee, within ten (10) days of return from the authorized travel, and must be accompanied by a fully itemized travel expense form.
- The Finance Manager shall review the credit card billing statements and receipts, and the accompanying travel vouchers for compliance with District travel policies and state law.
- If disallowed, or otherwise unauthorized charges are not repaid before the credit card billing is due and payable, the District shall have a prior lien against, and a right to withhold any and all funds payable, or to become payable, to the official or employee up to the amount of the disallowed or otherwise unauthorized charges, plus interest, at the same rate that is charged by the company which issued the credit card.

#### 5.1.4. CREDIT LIMITS:

Each District credit card shall have a credit limit of no more than \$4,000, except for one credit card that shall have a credit limit of \$10,000. Credit limits on specific cards may be increased by authorization of the Board of Commissioners.

#### 5.1.5. PAYMENT OF BILLS:

Credit card invoices shall be submitted to the Board of Commissioners at the first regular meeting following the receipt and processing of the invoices. Invoices shall be paid in full as soon as possible following approval of the Board of Commissioners.

#### 5.2. OTHER RULES TO IMPLEMENT OR ADMINISTER THE CREDIT CARD USE SYSTEM:

- All purchases of goods and services by credit card shall be pre-authorized by the



Operations/Engineering Manager, Wastewater Treatment Facility Manager, Finance Manager, or General Manager. All purchases in excess of \$1,000 shall require a purchase order to be filled out.

- All purchase orders require a manager's signature
- The signed original purchase order shall be submitted to the staff member responsible for accounts payable, along with the packing slip and written quotes when applicable.
- The Finance Manager shall develop and maintain a sign-out and sign-in list of employees and Commissioners who check out a credit card.
- When a credit card is needed, an employee/Commissioner will request a card from the Finance Manager or designated staff, who will sign the card out to the employee/Commissioner.
- Upon return of the credit card, the receipt for items purchased will be given to the Finance Manager or designee.
- Credit cards shall be returned to the Finance Manager within 24 hours of completing the purchase, except when used for travel.
- In cases of emergency such as needed to restore water or sewer service, eliminate sewage overflows, repair critical equipment, etc., these rules may be temporarily suspended to restore the District to normal operation. Upon returning to normal operation, the person responsible for credit card purchases shall prepare a written report documenting the reason for variance from this policy. This report shall be provided to the Board of Commissioners, General Manager and Finance Manager. A copy shall be kept on file for future reference.
- If an employee or Commissioner misuses a credit card or has a credit card stolen and/or missing and an employee or Commissioner is found to be negligent in safeguarding the credit card, the employee or Commissioner may be held liable.
- Use of District credit cards to obtain cash advances is prohibited.
- Use of District credit cards to purchase goods or services for personal use is prohibited.

## **6. TRAVEL EXPENSE REIMBURSEMENT**

### **6.1. CONFERENCE AND MEETING ATTENDANCE AT DISTRICT EXPENSE**

Attendance at National, Regional, Local and other conferences and meetings that pertain to management and operations of the District are authorized as provided below:

- The General Manager may recommend employees attend national and regional conferences, provided the conference is included in the current District Budget or approval is received from the Board of Commissioners.
- The General Manager is authorized to designate employees to attend local seminars and meetings less than 200 miles from the District office at a cost not to exceed \$350 per employee per day.
- Conferences that will be supported include, but are not limited to, American Water Works Association (AWWA) Annual Conference & Exposition; AWWA Utility Manager's Conference, Pacific Northwest Section, (PNWS-AWWA); Water Environment Federation (WEF); Pacific Northwest Pollution Control Association (PNPCA); Washington Association of Sewer and Water

District (WASWD); Washington Finance Officers Association (WFOA); American Public Works Association; Underground Utility Locating Council; Washington Environmental Training and Resource Center (WETRC); Association of Washington Cities (AWC); Society of Human Resources Management (SHRM) and other special conferences that pertain to the management and operations of the District.

- Meetings related to the Governance, Operation and Maintenance of the District as approved by the General Manager or Board of Commissioners prior to the meeting(s).

## 6.2. REASONABLE AND NECESSARY EXPENSES INCURRED

Reasonable and necessary expenses incurred by the Board of Commissioners and employees on District related business shall be reimbursed or paid by the District as provided below:

- Commissioners and employees shall be reimbursed for actual expenses incurred and only after the District business has been transacted and the expense incurred.
- Request for expense reimbursement must be submitted within two (2) months after incurring the expense or attending/transacting District business.
- Actual expenses must be reasonable considering the particular purpose and circumstances of each trip and in no case shall include personal expenses unrelated to business of the District. Itemized receipts for reimbursement of actual expenses shall be required. Any expense determined to be unreasonable by the District's Finance Manager will be subject to recovery by the District through deduction from wages. If any single ground transportation cost, such as, but not limited to, airport limousine service, taxicab, shuttle bus, parking, etc., exceeds twenty-five dollars (\$25.00) for any individual time, a receipt shall be required unless a receipt is not available from the service company.
- Car rental is authorized for the Commissioners and General Manager. Car rental for all other District staff shall require prior approval by the General Manager. Mid-size cars shall be rented unless a larger car is needed in order to serve several people. The Commissioners, General Manager and other District Staff shall try to minimize the number of vehicles rented.
- When traveling out of state, and distances in excess of 100 miles in Washington State, expenses may be reimbursed for the day before, through and including the day after the conference or event attended terminates. For distances less than 100 miles in Washington State, pre-authorization by the General Manager is required.
- When attending meetings related to District business the District will reimburse employees and Commissioners for meals.
  - Commissioners and employees are authorized to be reimbursed for actual and necessary expenses based on itemized receipts for all meals plus a maximum of 15% for services received. The receipts will be required to list the meals and drinks received.
  - The names of people receiving meals shall be hand written on top of the receipt.
  - The District will only pay for the meals of employees and Commissioners.

## 6.3. PRIVATE TRANSPORTATION

Employees shall use District transportation for District business travel whenever available, and

carpooling is recommended. Commissioners, the General Manager and authorized employees may use their personal automobiles in the conduct of District business. Commissioners and employees will be reimbursed at the mileage rate authorized for Washington State employees. Dates, mileage and itinerary will be shown. Use of vehicles outside the Puget Sound area shall require General Manager's approval. In general, when evaluating whether to utilize private vehicles, consideration may be given to airline schedules, time spent getting to and from the airport, time spent at airports for security checks, etc.

#### 6.4. CLAIMS FOR REIMBURSEMENT

Claims for reimbursement must be submitted on a District approved expense report form, no reimbursement will be given until the expense report form is completed. The expense report form must identify the date, place of District business as well as the itemized expenses. The form shall include a signed certification with the following language:

"I hereby certify under penalty of perjury that this is a true and correct claim for necessary expenses incurred by me while on district business and that no payment has been received by me on account thereof."

Claims submitted in violation of these policies and procedures shall not be entitled to reimbursement related to such request(s). Commissioners or employees receiving compensation relating to District business or expense reimbursements in violation of these policies and procedures shall be required to repay the District such amounts received in violation of these policies and procedures, together with the interest hereon at the rate of one (1) percent per month accruing from the date of receipt of such compensation or expense reimbursement until fully repaid to the District.

The General Manager or Board of Commissioners has authority to grant exceptions to this policy when it is determined to be in the best interest of the District. The General Manager's signature on the expense report containing exception indicates approval.

# **PUBLIC WORKS REQUIREMENTS**

## 7. PUBLIC WORKS PROCUREMENT AND CONTRACTS

The term “public work” shall include all work, construction, renovation, remodeling, alteration, repair or improvement **other than ordinary maintenance**, on any building or property. (See Revised Code of Washington (RCW) 39.04.010 for a full definition of public work.)

Definition of Ordinary Maintenance – Washington Administrative Code (WAC) 296-127-010(7)(b)(iii) defines “ordinary maintenance” as follows: Work that is performed on a regularly scheduled basis (e.g., daily, weekly, seasonally, semiannually, but not less frequently than once a year), to service, check or replace items that are not broken; or work that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary.

### 7.1. COST OF PUBLIC WORKS PROJECT(S)

The total cost of each public works project or purchase must be determined. Determining the estimated cost of a project is a crucial first step, since the determination will dictate whether bids are required. The person making the estimate should determine the fair and reasonable value of the work to be performed (or the purchase to be made), given the particular conditions that will be faced and the requirements of the proposed project or purchase.

The cost estimate should reflect the amount that the District considers fair and reasonable and that it is willing to pay for the work or purchase. Several approaches can be used to make an estimate. The District can consider the actual cost of performance, considering the current cost of labor, equipment, and materials. The use of this approach requires the estimator to have a good working knowledge of construction methods, equipment, and market conditions. A second approach can be done using historical data. The estimator review recently-awarded contracts, making adjustments for the proposed project and the current market conditions. A third approach would be to combine historical bid date with actual cost data.

State statute does not specify whether sales tax is included in competitive bidding limits. The District shall uniformly not include sales tax in the estimated cost of public works purchases and/or contracts.

### 7.2. DAY LABOR ALLOWANCE

District employees may be utilized when a project is below \$50,000.

### 7.3. SMALL AND MINORITY FIRMS AND WOMEN'S BUSINESS ENTERPRISES

It is the goal of the District to encourage Small and Minority Firms and Women's Business Enterprises to be actively involved in the bidding process.

### 7.4. CONTRACTS

All public works projects in excess of fifty thousand dollars (\$50,000) shall be by contract per RCW 57.80.050(1).

### 7.5. PUBLIC WORKS PROJECT CATEGORIES

Public Works Projects are broken down into five (5) categories:

- Projects costing less than \$50,000 using Limited Public Works Process
- Projects costing less than \$50,000 not using the Limited Public Works Process
- Projects costing more than \$50,000 but less than \$250,000

- Projects costing more than \$250,000 but less than \$350,000
- Projects costing over \$350,000

## 7.6. PUBLIC WORK PROJECT PROCUREMENT AND CONTRACT REQUIREMENTS

Based on the Public Work Project estimated cost, the District shall procure the public work projects as follows:

### 7.6.1. PROJECTS COSTING LESS THAN \$50,000 **USING** THE LIMITED PUBLIC WORKS PROCESS

Estimated small works roster projects under \$50,000 may use the Limited Public Works Process ([see section 7.7.1](#)). If a construction, alteration, repair, or improvement project is estimated to cost less than fifty thousand dollars (\$50,000), the District may award such a contract using the limited public works process provided under RCW 39.04.155 (3). For a limited public works project, the District will solicit electronic or written quotations from a minimum of three (3) contractors from the appropriate small works roster and shall award the contract to the lowest responsible bidder as defined under RCW 39.04.010. After an award is made, the quotations shall be open to public inspection and available by electronic request. Public advertisement is not required for the Limited Public Works Process.

The District shall maintain a list of the contractors contacted and the contracts awarded during the previous 24 months under the limited public works process, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

For limited public works projects, the District may waive the payment and performance bond requirements of chapter 39.08 RCW and the retainage requirements of chapter 60.28 RCW, thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material men, suppliers, and taxes imposed under Title 82 RCW that may be due from the contractor for the limited public works project. However, the District shall have the right of recovery against the contractor for any payments made on the contractor's behalf. Bid guarantees are optional, but limited public works projects are still subject to normal prevailing wage requirements.

### 7.6.2. PUBLIC PROJECTS COSTING LESS THAN \$50,000 **NOT** USING THE LIMITED PUBLIC WORKS PROCESS

Projects costing less than fifty thousand dollars (\$50,000), not using the Limited Public Works Process may use one of the following:

- Minimal Competition Process for Public Works ([see section 7.7.2](#))
- Small Public Works Roster Process for Public Works ([see section 7.7.3](#))
- Formal Competitive Bidding Process for Public Works ([see section 7.7.4](#))

### 7.6.3. PUBLIC PROJECTS COSTING MORE THAN \$50,000 BUT LESS THAN \$250,000

Projects costing more than fifty thousand (\$50,000) but less than two hundred fifty thousand (\$250,000) may use one of the following:

- Small Public Works Roster Process ([see section 7.7.3](#))
- Formal Competitive Bidding Process ([see section 7.7.4](#))

#### 7.6.4. PUBLIC WORKS PROJECTS COSTING MORE THAN \$250,000 BUT LESS THAN \$350,000

Projects costing more than two hundred fifty thousand (\$250,000) but less than three hundred and fifty thousand (\$350,000) may use one of the following:

- Small Public Works Roster Process ([see section 7.7.3](#))
- Formal Competitive Bidding Process ([see section 7.7.4](#))

#### 7.6.5. PUBLIC WORKS PROJECTS COSTING MORE THAN \$350,000

The Formal Competitive Bidding Process is required as set forth below in [see section 7.7.4](#).

### 7.7. PUBLIC WORKS PROJECTS BIDDING PROCESSES

#### 7.7.1. LIMITED PUBLIC WORKS PROCESS

For Small Works Projects under \$50,000 an alternative limited public works process may be used:

- Solicitation of bids from three (3) contractors from the Small Works Roster
- Sealed bids are not required, but records of must be kept of all bids solicited and received
- Bid guarantees are optional
- Contract must be awarded to the lowest responsible bidder
- Immediately after the award is made, the bid information obtained shall be recorded, open to public inspection, and shall be available by telephone inquiry.
- A list of projects, contracts and contractors must be kept for 24 months

The District may waive retainage, performance and payment bonds, but normal prevailing wage requirements still apply.

(See [section 7.6.1](#) for more details on Limited Public Works Projects)

#### 7.7.2. MINIMAL COMPETITION PROCESS FOR PUBLIC WORKS

The District's minimal competition process for public works projects requires the following:

- Solicitation of bids from three (3) contractors (telephone, electronic or written quotes allowed)
- Sealed bids are not required, but records of must be kept of all bids solicited
- Bid guarantees are optional
- Contract must be awarded to the lowest responsible bidder.
- Immediately after the award is made, the bid information obtained shall be recorded, open to public inspection, and shall be available by telephone inquiry.

The contract is subject to normal retainage, performance bond, payment bond and prevailing

wage requirements.

### 7.7.3. SMALL PUBLIC WORKS ROSTER PROCESS

The small public works roster process requires:

- Solicitation of bids from five (5) contractors on the Small Works Roster\*
- Sealed bids are not required, but records must be kept of all bids solicited and received
- Bid guarantees are optional
- Contract must be awarded to the lowest responsible bidder.
- Immediately after the award is made, the bid information obtained shall be recorded, open to public inspection, and shall be available by telephone inquiry.

The contract is subject to normal retainage, performance bond, payment bond and prevailing wage requirements.

\*The small works roster process requires solicitation of bids from **all** appropriate contractors on the appropriate small works roster or as an alternative, from a minimum five (5) contractors from the small works roster for bids who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. "Equitably distribute" means that the District may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services. However, if the estimated cost of the project is from \$250,000 to \$350,000 and the District elects to solicit bids from less than all of the contractors on the appropriate small works roster, then all contractors on the roster must be notified that a bid for the work is being sought. The District will notify the remaining contractors on the appropriate small works roster by any of the following options: (i) publishing notice in a legal newspaper in general circulation in the area where the work is to be done; (ii) mailing a notice to these contractors; or (iii) sending notice to these contractors using facsimile or other electronic means.

### 7.7.4. FORMAL COMPETITIVE BIDDING PROCESS FOR PUBLIC WORKS

The formal competitive bidding process requires:

- Advertisement of the solicitation in a newspaper of general circulation within the District at least 13 day before the submittal deadline
- Send the solicitation to all contractors on the appropriate Small Works Roster
- Optional pre-bid meeting
- Sealed bids are required (date & time stamp on all bids received)
- Records must be kept of all bid solicitations and bids received
- Public Bid Opening is required
- 5% bid guarantee is required
- Performance & Payment bonds are required for 100% of the contract amount
- Prevailing wage required
- Contract must be awarded to the lowest responsible bidder
- Immediately after the award is made, the bid information obtained shall be recorded, open to



public inspection, and shall be available by telephone inquiry.

## 7.8. SMALL WORKS ROSTER

### 7.8.1. PURPOSE/USE OF THE SMALL WORKS ROSTER

Where the estimated cost does not exceed Three Hundred and Fifty Thousand Dollars (\$350,000), or the current statutory limits in RCW 39.04.155 which includes the costs of labor, material, AND equipment. As an alternative, the District may use the small works roster procedures for public works projects. The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process.

### 7.8.2. THE DISTRICT'S SMALL WORK ROSTER

The District contracts with the Municipal Research and Services Center (MRSC) to utilize its small works roster for different categories of anticipated work per RCW 57.08.050. The categories on this roster may change as new categories are needed or existing categories are no longer needed<sup>1</sup>.

### 7.8.3. YEARLY PUBLICATION OF NOTICE

At least once a year, on behalf of the District, MRSC shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters. Responsible contractors shall be added to appropriate MRSC roster or rosters at any time that they submit a written request and necessary records.

## 7.9. DETERMINING LOWEST RESPONSIBLE BIDDER

The District shall award the contract for the public works project to the lowest responsible bidder provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the Board of Commissioners may call for new bids. A responsible bidder shall be a registered and/or licensed contractor who meets the mandatory bidder responsibility criteria established by RCW 39.04.350 and who meets any supplementary bidder responsibility criteria established by the District.

## 7.10. CANCELLATION

The District may cancel a call for bids, may reject any and all bids submitted in whole or in part, and may waive any irregularities or informalities in the bids submitted at its sole discretion and option.

## 7.11. SPECIFICATIONS

Specifications should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be purchased. Such descriptions should not contain features that unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used. The responsibility of demonstrating to the District's satisfaction that a product is "equal" to that specified shall be on the vendor proposing the substitution. Requests for approval of substitutions must be made with sufficient time to allow the District to adequately review the proposal, including time for vendors to respond to questions and requests for additional information or clarification. The District has no obligation to accept proposed substitutions or engage outside consultants or experts to

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<sup>1</sup> District Resolution No. 453-18 adopted July 18, 2018, Establishing a Small Works Roster Process

evaluate proposed substitutions.

Acceptance of a substitute product proposed as “equal” to that specified will be made in writing and, if made prior to bid, other bidders will be notified if practical and convenient.

#### 7.12. AWARD

Public works projects under \$20,000.00, the General Manager shall have the authority to award public works contracts without Board of Commissioner approval, provided the project was budgeted in the current year. The Board of Commissioners shall award all public works contracts over \$20,000.00<sup>2</sup>

#### 7.13. PREVAILING WAGE

All public works projects require payment of prevailing wages under Chapter 39.12 RCW. Contractors must be told in advance that prevailing wages must be paid to all employees who work on the contract. It is the contractor’s responsibility to file a Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid, as provided in RCW 39.12.040. The contractor must also provide upon request to the District certified weekly payrolls covering every person who works on the project site from every contractor and subcontractor for any tier for the duration of the contract.

#### 7.14. CHANGE ORDERS

The General Manager is authorized to approve the change orders to District public works contracts when the amount of the proposed change order is 10% or less of the contract amount, but in no case more than twenty thousand dollars (\$20,000). The change order must be reported to the Board of Commissioners at the next regular meeting of the Board.

#### 7.15. POSSIBLE EXEMPTIONS FROM BIDDING REQUIREMENTS FOR “PUBLIC WORKS PROJECTS”

RCW 39.04.280 provides uniform exemptions for public works and public works purchases including:

- Emergency Public Works and Public Works Purchases
- Intergovernmental contract
- Water pollution control facility

##### 7.15.1. EMERGENCY PUBLIC WORKS AND PUBLIC WORKS PURCHASES

Emergency” as defined in RCW 39.04.280(3) means any unforeseen circumstances beyond the control of the municipality that either present a real, immediate danger to the proper performance of essential functions, or will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. This includes declared federal or state disasters, as well as local agency-declared disasters.

If an emergency exists, the appropriate individuals - either the governing body, or an individual designated by the governing body to act in the event of an emergency - may declare that an emergency exists, waive competitive bidding requirements, and award all necessary contracts to address the emergency. If a federal or state emergency has been declared, the governing body should pass a resolution acknowledging the declaration and invoking RCW 39.04.280 as

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<sup>2</sup> Per Resolution No. 453-18 adopted July 18, 2018 – Establishing a Small Works Roster Process

well.

In the event of a true emergency, governing bodies are generally exempt from the normal notice requirements of the Open Public Meetings Act under RCW 42.30.070 and RCW 42.30.080(4).

If an emergency contract is awarded without competitive bidding, the governing body or its designee must enter a written finding of an emergency into the public record no later than two weeks following the contract award.

#### 7.15.2. INTERGOVERNMENTAL CONTRACT

Washington's Interlocal Cooperation Act, Chapter 39.34 RCW, authorizes public agencies to contract with other public agencies via Interlocal agreements that enable cooperation among the agencies to perform governmental activities and deliver public services.

All Interlocal agreements made pursuant Chapter 39.34 RCW must either be filed with the county auditor or posted on a public agency's website or other electronically retrievable public source (RCW 39.34.040).

#### 7.15.3. WATER POLLUTION CONTROL FACILITIES

Chapter 70.150 RCW allows agencies to contract for water pollution facilities and operation using the competitive bidding requirements of RCW 70.150.040.

## **END OF PUBLIC WORKS SECTION**

**PURCHASE OF GOODS, EQUIPMENT  
AND/OR OTHER MATERIALS  
NOT CONNECTED WITH PUBLIC WORKS  
REQUIREMENTS**

## 8. PURCHASE OF GOODS, EQUIPMENT, SUPPLIES AND/OR OTHER MATERIALS NOT CONNECTED WITH PUBLIC WORKS PROJECTS)

Per RCW 39.04.190, a Vendor List may be established for the purchase of materials, supplies or equipment of less than \$50,000. (RCW 57.08.050(3)). The District contracts with Municipal Research and Services Center (MRSC) to use their Vendor List<sup>3</sup>.

All purchases of goods, equipment, supplies or materials shall be pre-authorized by the department supervisor, manager or General Manager.

### 8.1. PURCHASE ORDERS

- All purchases in excess of one thousand dollars (\$1,000) shall require a purchase order.
  - A signed copy of the purchase order shall go to the vendor
  - A copy of the purchase order shall be placed in the inventory file
  - A signed original purchase order shall be submitted to the Finance Department, along with the packing slip and written quotes when applicable.

### 8.2. PURCHASE LIMITATIONS

The General Manager, or his/her designee is authorized to purchase goods, equipment, supplies and/or materials (not connected with a public works project) as follows:

- All items less than \$1,000: Requires authorization by the department supervisor, department manager or General Manager.
- Budgeted items more than \$1,000 but less than \$5,000: Requires authorization by the department supervisor, department manager or General Manager.
- Non-budgeted items more \$1,000 but less than \$5,000: Requires authorization by the department manager with notification to the General Manager before purchase.
- Budgeted items more than \$5,000 but less than \$20,000: Requires authorization by the General Manager.
- Non-budgeted items more than \$5,000 but less than \$20,000: Requires authorization by the General Manager and/or designee and shall be reported to the Board of Commissioners.
- Budgeted items more than \$20,000: Requires authorization by the General Manager and/or designee with a report to the Board of Commissioners.
- Non-budgeted items more than \$20,000: Requires authorization by the Board of Commissioners.

**Exception:** The purchase of emergency items may be made by the General Manager with a report provided to the Board of Commissioners and the next regularly scheduled meeting.

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<sup>3</sup> District Resolution No. 453-18 adopted July 18, 2018, Establishing a Small Works Roster Process

### 8.3. PURCHASING CATEGORIES

Purchasing is broken down into four (4) categories:

- Purchases estimated less than \$7,500
- Purchases estimated more than \$7,500 but less than \$40,000
- Purchases estimated more than \$40,000 but less than \$50,000
- Projects estimated more than \$50,000

#### 8.3.1. PURCHASES LESS THAN \$7,500

Purchases less than seventy-five hundred dollars (\$7,500) do not require written quotes.

#### 8.3.2. PURCHASES MORE THAN \$7,500 BUT LESS THAN \$40,000

Purchases more than seventy-five hundred dollars (\$7,500) but less than forty thousand dollars (\$40,000) may use one of the following processes:

- Small Purchases Process ([see section 8.4.1](#))
- Vendor List ([see section 8.4.2](#))
- Formal Competitive Bidding ([see section 8.4.3](#))

#### 8.3.3. PURCHASES MORE THAN \$40,000 BUT LESS THAN \$50,000

Purchases more than forty thousand dollars (\$40,000) but less than fifty thousand dollars (\$50,000) may use one of the following processes:

- Vendor List ([see section 8.4.2](#))
- Formal Competitive Bidding ([see section 8.4.3](#))

#### 8.3.4. PURCHASES OVER \$50,000

Purchases over \$50,000 must use the Formal Competitive Bidding Process ([see section 8.4.3](#)).

### 8.4. PURCHASING PROCESSES

#### 8.4.1. SMALL PURCHASES PROCESS

The small purchases process requires:

- Solicitation of at least three (3) quotes, if possible
- Award to the lowest responsible bidder
- Immediately after awarding the contract the agency must record all bid quotes it obtained and make them available for public inspection

#### 8.4.2. VENDOR LIST PROCESS FOR PURCHASES

The small public works roster process requires:

- Solicitation of quotes from at least three (3) vendors on the MRSC Vendor List
- Award to the lowest responsible bidder
- Immediately after awarding the contract the agency must record all bid quotes it obtained and make them available for public inspection.
- Every 2 months post a list of contracts awarded using each list, including the date, the name of the contractor, the amount of the contract, and a brief description of the items purchased

#### 8.4.3. FORMAL COMPETITIVE BIDDING PROCESS FOR PURCHASES

The formal competitive bidding process requires:

- Advertisement of the solicitation in a newspaper of general circulation within the District at least 13 day before the submittal deadline
- Send the solicitation to all vendors on the appropriate MRSC Vendor List
- Sealed bids are required (date & time stamp on all bids received)
- Records must be kept of all bid solicitations and bids received
- Public Bid Opening is required
- Award to the lowest responsible bidder
- Immediately after the award is made, the bid information obtained shall be recorded, open to public inspection, and shall be available by telephone inquiry.

#### 8.5. SPECIFICATIONS

Specifications should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be purchased. Such descriptions should not contain features that unduly restrict competition. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equal" description may be used. The responsibility of demonstrating to the District's satisfaction that a product is "equal" to that specified shall be on the vendor proposing the substitution. Requests for approval of substitutions must be made with sufficient time to allow the District to adequately review the proposal, including time for vendors to respond to questions and requests for additional information or clarification. The District has no obligation to accept proposed substitutions or engage outside consultants or experts to evaluate proposed substitutions.

Acceptance of a substitute product proposed as "equal" to that specified will be made in writing and, if made prior to bid, other bidders will be notified if practical and convenient.

#### 8.6. AWARD OF FORMAL COMPETITIVE BIDDING

When purchases and contracts are obtained by competitive bidding, they shall be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids. If there are questions or concerns regarding whether a bid is responsive or whether bidder is responsible, the District will refer to its attorney.

## 8.7. AWARD OF QUOTES

The District will secure telephone or written quotations, or both, from at least three (3) different vendors whenever possible to assure that a competitive price is established and for awarding the contracts for the purchase of any materials, equipment, supplies, or services to the lowest responsible bidder as defined in RCW 39.26.160 which allows consideration of best value criteria, including but not limited to the following:

- Whether the bid satisfies the needs of the DISTRICT as specified in the solicitation documents;
- Whether the bid encourages diverse contractor participation;
- Whether the bid provides competitive pricing, economies, and efficiencies;
- Whether the bid considers human health and environmental impacts;
- Whether the bid appropriately weighs cost and no cost considerations; and
- Life-cycle cost.

Immediately after the award is made, the bid quotations obtained shall be recorded, open to public inspection, and shall be available by telephone inquiry. A contract awarded pursuant to this section need not be advertised.

Original specifications and the original quotes will be retained in the file for review and audit as required.

## 8.8. CANCELLATION

An invitation for bids may be cancelled or the District, at its sole discretion, may reject any or all bids in whole or in part.

## 8.9. POSSIBLE EXEMPTIONS TO THE COMPETITIVE BIDDING REQUIREMENTS (FOR PURCHASE OF GOODS, EQUIPMENT, SUPPLIES AND/OR MATERIALS NOT USED FOR PUBLIC WORKS PROJECTS)

If the purchase falls into one of the categories below exemption from normal competitive bidding requirements for purchase of goods, equipment, supplies and/or materials not used for public works projects may apply.

- Intergovernmental Purchase or “Piggybacking”
- Emergency Purchase
- Sole Source Purchase
- Special Facilities or Market Conditions
- Purchase of Insurance Bonds
- Auction
- Electronic Data Processing or Telecommunications Purchase

### 8.9.1. INTERGOVERNMENTAL PURCHASE OR “PIGGYBACKING”

Under Chapter 39.34 RCW, local government agencies may make purchases using another agency’s purchasing contract, a process known as “piggybacking.” Generally, smaller agencies piggyback on contracts awarded by larger “host” agencies, allowing the smaller agencies to



save time and obtain better prices and terms than they might be able to on their own. Interlocal Agreements may be utilized to jointly make bid calls, for a joint purchase, or to purchase equipment, materials, supplies, or services on terms contained in a proposal or contract offered to another public agency. Where the District utilizes an Interlocal Agreement, the Agreement must comply with the procurement requirements as provided in RCW 39.34.030(5)(b). Firm written quotes shall be obtained in advance to document pricing and terms of all Interlocal purchases.

All Interlocal Agreements must be approved by the Board of Commissioners and signed by the General Manager. Interlocal Agreement purchases may be made without advertising in the Newspaper.

When practical, the District should include language in its solicitations that allows other public agencies to purchase from the District's bids, quotations, or contracts, provided that the other agencies allow similar rights and reciprocal privileges to the District.

To piggyback on another local government agency's contract:

- The host agency and the piggybacking agency must sign an Interlocal agreement and file it with the county auditor or post it online by subject (RCW 39.34.040). Ideally, the agreement should be in place before the purchasing contract is awarded, but this is not mandatory.
- The host agency must comply with its statutory contracting requirements and post the solicitation online (RCW 39.34.030(5)(b)).
- The vendor must agree to the arrangement through the initial solicitation documents.

The awarding agency assumes no responsibility for orders placed by other agencies.

#### 8.9.1.1. INTERLOCAL COOPERATIVE PURCHASING AGREEMENTS

Pursuant to Chapter 39.34 RCW, the District may enter into an Interlocal Cooperative Purchasing Agreement ("Interlocal Agreement") with any public agency (the State of Washington, a political subdivision thereof, another state or a political subdivision of that state, an agency of the Federal Government, or a Federally Recognized Indian Tribe).

#### 8.9.1.2. STATE OF WASHINGTON (GENERAL ADMINISTRATION) CONTRACTS

Cooperative members save millions of dollars annually by "pooling" their purchases through Washington State contracts. As a volume purchaser, the state can negotiate better rates for goods and services.

Washington state cities, counties, and municipalities ("political subdivisions") can join the purchasing cooperative and the District currently is an active member. State contracts such as Department of Enterprise Services fulfill the District's competitive bid requirements and offer a wide variety of goods and services. See RCW 57.08.050(4).

#### **Examples Include:**

- Vehicles
- Copiers
- Office Equipment and Supplies
- Purchasing Cards
- Radio Equipment
- Fuel

US Communities, Western States Consortium Alliance (WSCA), King County Directors Association (KCDA), National Group Purchasing Partners Program and Houston-Galveston Area Council (HGAC) are a collective of local and state agencies that allow most political state subdivisions to use open contracts available through these groups. They are all subject to bid laws similar to those in Washington and they conduct competitive sealed bids or proposals in much the same way as done in Washington.

The District may participate and make purchases that are awarded by these groups provided that such purchases are compliant with this Purchasing Policy and State law.

#### 8.9.1.3. FEDERAL CONTRACTS

Local governments in Washington may also piggyback off many federal contracts administered by the General Services Administration (GSA). This includes:

- Information technology products
- Security/law enforcement equipment
- Items to aid recovery from federally-declared disasters or acts of terrorism
- Items to aid response to federally-declared public health emergencies
- Equipment to support counterdrug, homeland security, and emergency response activities

#### 8.9.2. EMERGENCY PURCHASES

##### 8.9.2.1. EMERGENCIES

RCW 39.04.280(1)(c) and (1)(e) provide uniform exemptions for emergency purchases and public works projects, respectively. Some agencies also have similar emergency exemptions specifically written into their enabling statutes.

“Emergency” as defined in RCW 39.04.280(3) means any unforeseen circumstances beyond the control of the municipality that either present a real, immediate danger to the proper performance of essential functions, or will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. This includes declared federal or state disasters, as well as local agency-declared disasters.

##### 8.9.2.2. DECLARATION OF EMERGENCY

If an emergency exists, and time permits, the General Manager or his/her designee will seek a resolution from Governing Board that will: (a) declare an emergency situation exists; (b) waive competitive requirements; and (c) authorize the award, on behalf of the District, of all contracts necessary to address the emergency situation, including, but not limited to, architectural and engineering services.

If an emergency exists and time does not permit seeking the Board of Commissioners approval, the General Manager or his/her designee may declare an emergency situation to exist, waive competitive requirements, and award contracts on behalf of the District.

If an emergency contract is awarded without competitive bidding, the Board of Commissioners or its designee must enter a written finding of an emergency into the public record no later than two weeks following the contract award.

All purchases must be properly documented as pertaining to the emergency.

### 8.9.3. SOLE SOURCE PURCHASE

RCW 39.04.280(1)(a) allows agencies to waive competitive bidding if a purchase is clearly and legitimately limited to a single supplier. These situations often arise when an agency has specific technological requirements.

#### 8.9.3.1. SOLE SOURCE – BASIS FOR DECLARING SOLE SOURCE

Although no single factor is determinative, sole source contracts may be justified by the following considerations:

- The unique, highly specialized, or one-of-a-kind qualifications or services of the particular contractor;
- The District's need for standardization of equipment;
- The contractor's past performance;
- The cost effectiveness of entering into the sole source contract, particularly in reference to the "learning curve" for new contracting partners;
- The "follow up" nature of the required goods and/or services;
- Geographic limitations on the availability of the goods or services;
- Unavoidable, critical time constraints; and
- Other special circumstances, such as confidential investigations, copyright restrictions, etc.

#### 8.9.3.2. SOLE SOURCE – DETERMINATION

When contemplating a sole source contract, the District shall take into account the considerations identified in Section above of this Policy in reference to the specific circumstances or details that justify departing from the normal competitive bidding requirements. The justification for the sole source contract shall be documented in the "Sole Source Justification" form located on the District server (see appendix for sole source justification form).

The Request for Sole Source and all supporting documentation must be presented to the Board of Commissioners for consideration. If the Board finds that the proposed purchase is clearly and legitimately limited to the single source of supply identified in the Request for Sole Source, it may, by resolution adopted in an open public meeting, waive the competitive bidding requirements applicable to the proposed contract.

### 8.9.4. SPECIAL FACILITIES OR MARKET CONDITIONS

RCW 39.04.280(1)(b) allows agencies to waive competitive bidding for purchases involving special facilities or market conditions. These are generally limited to good deals that are available for a short time, such as a very good price on an exceptional piece of used equipment, or the chance to buy supplies at a going-out-of-business sale or similar event.

#### 8.9.5. PURCHASE OF INSURANCE BONDS

RCW 39.04.280(1)(d) allows agencies to waive competitive bidding for the purchase of insurance or bonds.

#### 8.9.6. AUCTIONS

RCW 39.30.045 allows any municipality, as defined in RCW 39.04.010, to purchase any supplies, equipment, or materials at auctions without following public bidding requirements if the items can be obtained at a competitive price.

The Board of Commissioners shall pre-approve an upper bidding limit for the person doing the bidding.

#### 8.9.7. ELECTRONIC DATA PROCESSING OR TELECOMMUNICATIONS PURCHASE

RCW 39.04.270 allows all local governments in Washington to use a competitive negotiation process when purchasing telecommunications and electronic data processing (computer) equipment or software, instead of traditional competitive bidding.

This alternative process requires, at a minimum:

- A request for proposals (RFP) must be published in a newspaper of general circulation at least 13 days before the submission deadline.
- The RFP must be submitted to an adequate number of qualified sources, as determined by the agency, to permit reasonable competition.
- The RFP must identify significant evaluation factors, including price, and their relative importance.
- The agency must provide reasonable procedures for technical evaluation of the proposals, identification of qualified sources, and the selection process for awarding the contract.
- The contract must be awarded to the qualified bidder whose proposal is “most advantageous” to the agency.
- The agency may reject all proposals for good cause and request new proposals.

**END OF PURCHASE OF GOODS, EQUIPMENT, SUPPLIES**  
**AND/OR OTHER MATERIALS**  
***Not connected with public works projects***

# **ARCHITECTURAL & ENGINEERING REQUIREMENTS**

## 9. ARCHITECTURAL & ENGINEERING PROJECTS

“Architectural and Engineering Services” are services rendered by any person or company, other than an employee of the District, contracting to perform activities within the scope of the general definition of professional practice. Any service that would be provided by a professional, such as a registered architect, engineer, land surveyor, or landscape architect should be procured under the provisions of RCW 39.80.

RCW 39.80.030 requires that the District publish its need for architectural or engineering services in advance using a qualification-based selection process Request for Qualifications (“RFQ”), concisely stating the general scope and nature of the project or work for which services are required. The notice must provide the address and/or contact information of a District representative whom can provide additional details. Compliance with this requirement may be accomplished by either: (1) by issuing an announcement for each project or, (2) by issuing a general announcement describing the anticipated requirements for a category or type of service.

### 9.1. REQUEST FOR QUALIFICATIONS (“RFQ”) FOR ARCHITECTURE AND ENGINEERING PROJECTS

- Must be used to secure the services of architects and engineers.
- Must concisely state the general scope and nature of the project or work for which services are required.
- Must include the contact information of a representative of the District whom can provide additional details.
- Evaluation is based on the qualifications and performance data along with the information submitted regarding the proposed project including: list of principals, previous projects, number of employees and licenses.
- Cost cannot be an evaluation factor.

After the most qualified firm has been chosen, the District may negotiate a contract for the services at a price that the District determines to be fair and reasonable, considering the estimated value of the services to be rendered, as well as the scope and complexity of the project.

If a satisfactory contract cannot be negotiated, the District may formally terminate the negotiations with that firm and attempt to negotiate a contract with the next most qualified firm.

The process continues until an agreement is reached or the search is terminated. Immediately after the award and completion of a contact, all RFQ’s that the District has secured must be open for public inspection and made available to those who inquire by telephone.

The process outlines above for the procuring of architectural or engineering services may be dispensed with upon in an emergency that requires immediate execution of the work involved (RCW 39.80.060) ([See section 10.2 Emergency Purchases.](#))

### 9.2. EVALUATION OF RFQ FOR ARCHITECTURE AND ENGINEERING PROJECTS

#### Evaluation Committee

An evaluation committee should be made up of three to five individuals, one or two of whom are technically familiar with the project. The other members of the committee should be generally familiar with the project requirements. The District staff will determine how the committee is chosen.

Evaluation Criteria

To assist the evaluation committee, and to insure a proper evaluation of the submittals, an evaluation criteria should be developed before receipt of submittals. The evaluation criteria should be made a part of the advertisement for services, so the respondents may direct their responses to the weighted criteria.

A sample evaluation criteria might be as follows:

CRITERIA	POINTS
Previous experience in the service required	0-25
Expertise of key personnel	0-25
Suggested project approach (understanding of project)	0-20
Response of references	0-10
Ability to meet time schedule	0-10
Previous experience on library projects	0-10
MAXIMUM POINTS	100

The Evaluation criteria should be specifically developed for each project based upon size, complexity, time frame, etc. A specifically designed selection criteria makes it easier for the consultants to submit the desired information; makes it easier for the evaluation committee to perform its task; and reduces the possible problems of challenges to the selection process through careful evaluation and documentation of the procedure.

It must be noted that smaller or simple projects might require only a short evaluation, such as:

CRITERIA	FAIR	GOOD	BEST
Previous Experience			
Experience of key personnel			
Previous experience on public projects			

It is to the advantage of both the District and the consultants to advise the interested consultants of the weighted selection criteria to be used by the District.

**END OF ARCHITECTURAL & ENGINEERING SECTION**

# **PERSONAL SERVICES REQUIREMENTS**



## 10. PERSONAL SERVICES CONTRACTS

Personal services involve technical expertise provided by a consultant to accomplish a specific study, project, tasks or other works. These activities and products are mostly intellectual in nature and they do not include architecture and engineering services. Personal services are not purchased services ([see section 11.0 for purchased services](#))

Examples of personal services include, but are not limited to:

- Comprehensive Plans
- Legal Services
- Management analyses

### 10.1. PERSONAL SERVICES CONTRACT CATEGORIES

Personal Services is broken down into three (3) categories:

- less than \$10,000
- more than \$10,000 but less than \$50,000
- more than \$50,000

#### 10.1.1. PERSONAL SERVICES LESS THAN \$10,000

Personal services with an estimated cost of less than ten thousand dollars \$10,000 the following process may be used:

- Minimal Competition ([see section 10.2.1](#))
- Informal Competition ([see section 10.2.2](#))
- Formal Competitive Bidding ([see section 10.2.3](#))

#### 10.1.2. PERSONAL SERVICES MORE THAN \$10,000 BUT LESS THAN \$50,000

Personal services with an estimated cost more than ten thousand dollars (\$10,000) but less than fifty thousand dollars (\$50,000) the following process may be used:

- Informal Competition ([see section 10.2.2](#))
- Formal Competitive Bidding ([see section 10.2.3](#))

#### 10.1.3. PERSONAL SERVICES MORE THAN \$50,000

Personal services with an estimated cost of over fifty thousand dollars (\$50,000) requires the formal competitive bidding process ([see section 10.2.3](#))

## 10.2. PERSONAL SERVICES CONTRACT PROCESSES

### 10.2.1. MINIMAL COMPETITION FOR PERSONAL SERVICES

The minimal competition process for personal services requires:

- Price, schedule and qualifications from 1-3 qualified firms
- Negotiate a contract with the lowest responsible bidder

### 10.2.2. INFORMAL COMPETITION FOR PERSONAL SERVICES

The Informal Competition for personal services requires:

- Written solicitation including a description of required services, project schedule, request for qualification, cost/fees and due date for the responses
- Send solicitation to 3-5 firms selected from the appropriate MRSC Consultant Roster asking for proposals
- Evaluate the proposals
- Negotiated a contract with the lowest responsible bidder

### 10.2.3. FORMAL COMPETITIVE BIDDING FOR PERSONAL SERVICES

The formal competitive bidding for personal services requires:

- Request for Proposal (“RFP”) or Request for Qualifications (“RFQ”)\* (*see section 10.3 & 10.4*)
- Publish advertisement in the newspaper
- Post solicitation on District website
- Develop score sheet to be used by evaluators
- Send solicitation to at least six (6) firms, if possible (if less than 6 document reason)
- Sealed bids are required
- Public bid opening required (date and time stamp all proposals)
- Evaluate the proposals
- Negotiate a contract with the lowest responsible bidder

## 10.3. REQUEST FOR QUALIFICATIONS (PERSONAL SERVICES CONTRACTS)

Requests for Qualifications (RFQs) ask only for a firm’s general capabilities, including:

- List of principals
- Previous projects
- Number of employees
- Licenses

#### 10.4. REQUEST FOR PROPOSALS (PERSONAL SERVICES CONTRACTS)

Requests for Proposals (RFPs) ask proposers to submit qualifications. At a minimum, every RFP should include:

- Statement of need (scope). This should be well-written with an adequate level of detail describing the project tasks and products, and listing the availability of supporting documents.
- Estimated project budget. State the estimated budget, but note that the amount is only an estimate.
- Estimated schedule. This should be realistic and closely tied to the scope.
- Evaluation criteria. Be clear and tie the criteria to the scope. Provide the scoring criteria, and provide the decision schedule if available.
- Proposal elements. List all the information that interested firms should submit, including the firm's general approach to the project, a list of key personnel who would work on the project with their experience and availability, and general scope and deliverables. Keep the submittal requirements, page limitations, and due date in the same section of the RFP. Allow for flexibility in the format of responses.
- Submittal deadline. Allow an adequate response time of 3-4 weeks. Accept electronic proposals, and acknowledge receipt of all proposals.
- Agency's standard terms and conditions. Attach a copy of the terms and conditions, if available, to the RFP.

Other common RFP elements include:

- Background on the agency and project, including budgets
- Reference documents, although large documents may be posted to a website and referenced in the document
- Whether interviews will be included as part of the selection process
- The pre-proposal conference schedule
- Public disclosure guidance
- Notice that costs incurred in the development of proposals and the selection process will be assumed by the proposers
- Formal certification by the proposer of its authorization to submit the proposal, time validity of the proposal, non-collusion, etc.

## **END OF PERSONAL SERVICES CONTRACTS SECTION**

# **PURCHASED SERVICES REQUIREMENTS**

## 11. PURCHASED SERVICES\*

Purchased services are those provided by vendors for routine, necessary, and continuing functions of a local government agency, mostly relating to physical activities. These services are usually repetitive, routine, or mechanical in nature, support the agency's day-to-day operations, involve the completion of specific tasks or projects, and involve minimal decision-making.

Examples of purchased services include, but are not limited to:

- Delivery/courier service
- Herbicide application
- Recycling/disposal/litter pickup service
- Vehicle inspection, lubricating, and repair services
- Department of Labor and Industries considers some services, such as HVAC maintenance or road striping, to be public works

### 11.1. PURCHASED SERVICES VS. PUBLIC WORKS

The state Department of Labor and Industries (L&I) considers some service contracts, such as HVAC maintenance or road striping, to be public works and subject to public works bidding requirements.

Some other services fall into a gray area between purchased services and public works. Purchased service contracts generally require much less paperwork than public works contracts, but if a particular contract is in that gray area, the conservative approach is to consider it a public works contract.

Some purchased services, such as building maintenance services, are not subject to public works bidding requirements but still require prevailing wages under chapter 39.12 RCW, see L&I's Prevailing Water Policies and Determinations or contact L&I directly.

See "**Appendix A**" examples distinguishing Purchased Services from Public Works.

**\*Purchased Services shall follow the same threshold and procurement requirements as Personal Services Contracts as outlined in [Section 10.0](#) above**

# **END OF PURCHASED SERVICES SECTION**

# UNIT PRICED CONTRACTS

## 12. UNIT PRICED CONTRACTS

A unit priced contract is a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of the District, under which the contractor agrees to a fixed period indefinite quantity delivery of work, at a defined unit price, for each category of work. The District may procure public works with a unit priced contract to complete anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades. See ESSB 5418 2019 Regular Laws.

### 12.1. REQUIREMENTS OF UNIT PRICED CONTRACTS

Invitations for unit priced bids must include the following information:

- Estimated quantities of the anticipated types of work or trades; and
- How the District will issue or release work assignments, work orders, or task authorizations for projects based on the hourly rates or unit prices bid by the contractor.

Wherever possible, the District will invite at least one proposal from a certified minority or woman contractor. Contracts will be awarded to the lowest responsible bidder as provided in RCW 39.04.010.

Unit priced contractors must pay prevailing wages for all public works that would otherwise be subject to the requirements of chapter 39.12 RCW. Prevailing wages for all work must be the rates in effect at the beginning date for each contract year. Unit priced contracts must have prevailing wage rates updated annually. Intents to Pay Prevailing Wages and Affidavits for Wages Paid must be submitted annually for all work completed within the previous twelve-month period of the unit priced contract.

Unit priced contracts must be executed for an initial contract term not to exceed one year, with the District having the option of extending or renewing the unit priced contract for one additional year.

# **END OF UNIT PRICED CONTRACT SECTION**

## APPENDIX A

### EXAMPLES DISTINGUISHING PUBLIC WORKS FROM PURCHASED SERVICES

<u>Subject to Both Bid Laws and Prevailing Wages (Public Works)</u>	<u>Subject to Prevailing Wages Only</u>	<u>Not Subject to Bid Laws or Prevailing Wages</u>
HVAC Maintenance		Remote HVAC Monitoring/Adjustment
	Building Maintenance Services	
Construction Site Sweeping	Street Sweeping	
Landscaping/Construction Maintenance	Grounds keeping (1)	
Tree Removal and Disposal (2)		Tree Removal and Disposal (2)
Tree Trimming, Removal, and Disposal under Power Lines	Traffic Control (Flagging)(6)	Moving Services (3)
Street/Road Striping		Furniture Delivery (3)
Elevator Repairs (4)	Fire Extinguisher Inspection and Replacement (7)	Elevator Inspection (4)
Electrical, Plumbing & Painting		
Vactoring, Sewer/Storm Sewer Cleaning		
Building Generator Repair and Maintenance		
Shoveling Snow off Building Roof		Mobile Generator Repair and Maintenance
Snowplowing at a PW Construction Site		Snowplowing in Streets
Transfer Station Repair or Maintenance		Garbage Collection/Disposal Recycling
	Construction Staking (5)	
	Potholing, Drilling for Geotechnical Investigations (5)	



## APPENDIX A CONT.....

- (1) Grounds keeping is litter control, sidewalk cleaning, lawn mowing, etc. not landscaping maintenance/construction.
- (2) Tree removal and trimming as part of a public works contract is subject to both prevailing wages and bid laws. Tree removal and trimming in parks is maintenance, subject to prevailing wages at least, and bid laws, conservatively.

Tree removal and trimming in conservation areas or for timber sales are probably not subject to either prevailing wages or bid laws, as such work may be considered silviculture.

Call L&I at (360) 902-5335, as the determination in each case is very fact-specific.

- (3) If moving and/or furniture delivery and installation require attachment to the building structure, prevailing wages are required.
- (4) A contract solely for inspection (which is rare) is a purchased service. But when you add maintenance and repairs, then it becomes subject to bid laws and prevailing wages.
- (5) Construction staking, whether under contract to the agency or contractor, is subject to prevailing wages. (Look at Prevailing Wage Determination 07292011.) Potholing and drilling for subsurface geotechnical investigations, whether under contract to the agency or professional services firm, is subject to prevailing wages.
- (6) Many agencies have contracts with companies to provide flagging (traffic control) services for their in-house crews as they perform maintenance activities. If such work is not ordinary maintenance as described above, then the cost of flagging must be considered in a determination of whether the agency can do the work with its own forces (below bid limits) or must contract for the work.
- (7) Look at prevailing wage determination 03102009.