

520 - Purchasing Policy

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1.0 Purpose

This Purchasing Policy establishes the approval procedures for all purchases by employees of the William Shore Memorial Pool District (District) and establishes procedures for purchasing and levels of authority, and provides for the reporting to the William Shore Memorial Pool District Board (Board) regarding the purchasing activity of the District.

2.0 General Responsibilities

2.1 General Authority

The Board is responsible for establishing policy direction for the District under Washington State law (RCW35.61.135). Prudent business practice and good government provides that the Board establish policies regarding the fiscal activities of the District including but not limited to purchasing in accordance with applicable local, state and federal law and regulations. Transferring limited authority and responsibility to the Executive Director or his or her designee for purchasing requires formal action by the Board. This Purchasing Policy establishes the limited authority granted to the Executive Director or his or her designee and procedure considerations related to the purchase of goods and/or services for use by District in service and for the benefit to the community.

2.2 Written Contracts / When Required

A written contract may be initiated by the District or by the other party to the agreement. It must be signed by at least one authorized representative from each party.

2.2.1 Written Contract Always Required for Certain Purchases

A written contract is always required for the following types of purchases.

1. All lease or rental agreements for equipment or real property
2. All intergovernmental agreements
3. All services with the exception of minor services such as repairs, etc where academic credentials or professional expertise are not required
4. Cooperative purchasing agreements
5. Maintenance and licensing agreements (except licenses and/or maintenance agreements for standardized, non-customized, software or hardware)
6. Other contracts/agreements deemed necessary by the Board.

2.2.2 Written Contract Required for Purchase of Goods Over \$20,000

A written contract is required for purchase of goods when the purchase by a department of a similar item from a single vendor exceeds \$20,000 per year.

3.0 Open Market Purchases

3.1 General Conditions

In accordance with RCW 35.61.135(3), purchases of supplies, materials and equipment and professional services, costing less than \$50,000 may be made on the open market, such as but not limited to sources such as retail stores, catalogs and other locations listing vendors available to provide the above mentioned items.

3.2 Supplies and Operating Purchases less than \$50,000

All open market purchases less than \$50,000 will be made by securing telephone or written quotations, or both, from at least three different vendors whenever possible to assure that a competitive price is established. Awarding the contracts for the purchase of any materials, equipment, supplies, or services to

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the lowest responsible bidder as defined in RCW [43.19.1911](#). 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.

3.3 Supplies and Operating Expenses in Excess of \$50,000.

All purchases of supplies and operating expenses made above \$50,000 will be done by the formal bidding process outlined in the applicable RCW 35.61.135(1).

3.4 Intergovernmental Cooperative Purchasing Agreements and Vendor Rosters

As an alternative to requirements under Section 2.2 of this policy, the District may contract and/or purchase materials, supplies, or equipment with the suppliers designated on any current state agency, county, city, or town purchasing rosters for the materials, supplies, or equipment, when the roster has been established in accordance with the competitive bidding law for purchases applicable to the state agency, county, city, or town.

RCW 35.61.135(4) allows the District to join with other governmental agencies for the purchase of supplies, equipment, or services. This is done by entering into a written Intergovernmental Cooperative Purchasing Agreement (also known as an interlocal agreement^{II}). Prior to making a purchase under such an agreement, the District must ensure that the procedure used by the agency that originally awarded the bid, proposal, or contract is allowable within the District's purchasing policy. The originating agency must also have fulfilled one of two additional public notice requirements:

- Posted the bid or solicitation notice on a web site established and maintained by a public agency, purchasing cooperative, or similar service provider, for purposes of posting public notice of bid or proposal solicitations.
- Provided an access link on the state's web portal to the notice.

The District may also make a bid call with another government entity as a joint purchase that complies with the procurement requirements of both jurisdictions. When practical, the District should include language in its solicitations that allows other public agencies to purchase from Bothell's contracts or purchase orders, provided that other agencies provide similar rights and reciprocal privileges to the District. The District Board shall approve all Intergovernmental Cooperative Purchasing Agreements. The District's attorney shall approve all such agreements as to form.

3.4.1 Publication Of Notice.

At least twice a year, the District shall publish, in the local official newspaper, notice of the existence of a roster of vendors for materials, supplies, and equipment, and shall solicit names of vendors for the roster.

3.4.2 Telephone Quotations

The District shall use the following process to obtain telephone quotations from vendors for the purchase of materials, supplies, or equipment:

1. A written description shall be drafted of the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase;
2. A District representative shall make a good faith effort to contact at least three (3) of the vendors on the roster to obtain telephone solicitation quotations from the vendors for the required materials, supplies, or equipment;
3. The District representative shall not share telephone quotation from one vendor with other vendors solicited for the bid on the materials, supplies, or equipment;
4. A written record shall be made by the District representative of each vendor's bid on the material, supplies, or equipment, and of any conditions imposed on the bid by such vendor;
5. The District representative shall present to the Board all telephone quotations and a recommendation for award of the contract to the lowest responsible bidder.

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3.4.3 Determining the Lowest Responsible Bidder.

The District shall purchase the materials, supplies or equipment from the lowest responsible bidder as outlined in RCW 43.19.1911(9) (see Section 4.3.2)

3.4.4 Award

The District will award the contract to the lowest responsible bidder. A written record of each vendor's quotations shall be made open to public inspection or telephone inquiry after the award of the contract. Any contract awarded under this subsection need not be advertised.

4.0 Small Public Works and Consultant Rosters

4.1 Public Works Purchases In Excess of \$20,000

All Purchases of public works, where the cost exceeds \$20,000 shall be authorized by the Board and made by an advertised call for bids.

4.2 Using a Small Public Works and Consultant Roster

For all Public Work projects, the District may use a roster system as authorized by RCW 36.61135 for all competitive bidding in excess of \$20,000 and not to exceed \$300,000 or the current maximum amount authorized by RCW Statute.

4.3 Using a Limited Publics Works Roster

If a work, construction, alteration, repair or improvement project is estimated to cost less than \$35,000 which includes the costs of labor, material, equipment and sales, and/or use taxes as applicable, District may award such a contract using the limited public works process provided under RCW 39.04.155, subsection (3). This small works roster process does not apply to contracts for professional architectural and engineering services which are regulated by RCW 39.80.

4.4 Consultant Roster

The District will use the Consultant Roster to select engineering, architectural, or other consultants for negotiations and contracts, and will do so in accord with all applicable laws and regulations. The District shall be independently responsible for its own and the selected consultants' compliance with laws and regulations governing services, including all selection laws, and any other requirements as appropriate. The District also shall be independently responsible to conduct a consultant selection process consistent with applicable statutes, ordinances, and the requirements of the District and to enter into a contract directly with the consultant thus selected.

4.5 Using MRSC as the District's Official Small Public Works Rosters

MRSC maintains the MRSC Rosters as allowed to the District and other Public Agency members by RCW 39.04.155 and Chapter 39.80 RCW, respectively. MRSC maintains the Roster in accordance to all applicable RCW statutes. MRSC maintains a Small Works Roster and a Consultant Roster (including architects, engineers, and other consultants). The District will use both the MRSC Rosters Small Works and Consultant Rosters as their official roster system for the above stated purchases.

4.5.1 MRSC Small Public Works Roster and Consultation Roster

The District will use the Small Public Works Roster to select contractors for public work projects up to \$300,000 in value or as otherwise limited by statutes, ordinances, and laws applicable to the District. The District shall be responsible for its own and the selected contractors' compliance with all laws and regulations governing purchases, including all selection laws, retainage and bonds, prevailing wages, and any other appropriate requirements. The District also shall be independently responsible to conduct a quotation or bid process consistent with applicable statutes, ordinances, and the requirements of the Public Agency and to enter into a contract directly with the contractor thus selected

4.5.2 Using the MRSC Limited Publics Works Roster

If a work, construction, alteration, repair or improvement project is estimated to cost less than \$35,000 which includes the costs of labor, material, equipment and sales, and/or use taxes as applicable, District may award such a contract using the limited public works process provided under RCW 39.04.155,

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subsection (3). This small works roster process does not apply to contracts for professional architectural and engineering services which are regulated by RCW 39.80

4.6 Single Source or Supply

When such a purchase is clearly and legitimately limited to a single source or supply, or the materials, supplies, equipment or services are subject to special market conditions, then such purchase may be made without competitive, sealed bid and by negotiation; provided that prior to making of such a purchase, the Executive Director obtains the approval of the Finance Committee or Board depending on the approval authority authorized to approve the amount of purchase.

5.0 Competitive Bidding and Procedures

5.1 Public Notice

While state law does not contain any detailed requirements for public notice, good business practice calls for using a notification process that will reach the most contractors and allow enough time for responsive bids to be prepared. Advertisements for bids should include the following items:

- Title of the project
- Nature and scope of the work
- Where contract documents (plans, specifications) may be obtained
- Cost to obtain a set of contract documents
- Place, date, and time that bids are due
- Statement that a bid bond must accompany the bid
- Statements that the District retains the right to reject any or all bids, and to waive minor irregularities in the bidding process

5.2 Bid Specifications

Bid 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 clear and accurate description requirements, a —brand name or equalll description may be used. The responsibility of demonstrating to the District's satisfaction that a product is —equalll 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. Acceptance of a substitute product proposed as an —equalll to that specified will be made in writing. If this acceptance occurs prior to the bid, other bidders will be notified to the extent practical.

5.3 Award

The contract will be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria included in the invitation for bids. RCW 39.04.350 outlines criteria that a bidder must meet in order to be considered responsible.

5.3.1 Lowest Responsive Bid Determination

The determination of the lowest responsive bid requires meeting conditions set forth in the invitation for bid and submitting the lowest price.

5.3.2 Lowest Responsible Bidder Determination

In determining the lowest responsible bidder for the purchase of goods and/or services for use by the District, consideration may be given to:

- A. Ability/Capacity/Skill: The ability, capacity and skill of the vendor to perform the project or provide the goods and services;
- B. Prompt Delivery: The ability of the vendor to perform the project or provide the goods or services promptly or within the time specified, without delay or interference;
- C. Experience: The reputation, experience and efficiency of the vendor;

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- D. Previous Performance/References: The quality of performance on previous contracts or purchases;
- E. Compliance with Laws and Regulations: The previous and existing compliance by the vendor with laws and regulations relating to contracts and services;
- F. Service Capability: The sufficiency of the financial resources and the ability of the vendor to perform the work or provide the goods or services being purchased; also the ability of the vendor to provide future maintenance and service for the goods or services purchased;
- G. Quantity and Scope of Conditions: The number and scope of conditions attached to the quotation; and
- H. Terms/Billing Procedures, Other Charges, and Reliability: The payment terms/billing procedures, quality, delivery times, freight charges, shipping points and the reliability of the vendor.

When a trade-in option exists and is in the District's best interest, the price offered on the trade will be considered when determining the lowest responsive and responsible bid. RCW 39.30.040 allows any local sales tax revenue generated by the purchase to be considered in determining the lowest responsive and responsible bid. Other preferences favoring local businesses are not permitted.

5.4 Cancellation

An invitation for bids may be cancelled. Additionally, the District (at its sole discretion) may choose to reject any or all bids, in whole or in part. An invitation for bids may be canceled at the discretion of the Executive Director or his or her designee. The reasons shall be documented and made part of the purchase contract file. Each invitation for bids issued by the District shall state that the invitation may be canceled. Notice of cancellation shall be sent to all parties who have been provided with a copy of the invitation. The notice shall identify the invitation for bid and state briefly the reasons for its cancellation.

5.5 Submittal of Bids

Bids will be submitted as specified in the invitation for bid by the appointed date and time listed in the invitation. Each bid will be date and time stamped as it is received. Late bids will not be accepted. If the bid is a sealed bid, all qualified bids will be opened and read aloud publicly at the appointed time. No District representative shall inform a contractor of the terms or amount of any other contractor's bid for the same project prior to the bid opening date and time. The contract must be awarded to the lowest responsive and responsible bidder, or else all bids must be rejected. A written record shall be made of each contractor's bid on a project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations shall be recorded, open to public inspection, and available by telephone inquiry. Original specifications and the original bid responses will be retained for review and audit as required.

5.6 Bid Security

Bid security shall be required for all competitive bidding for public works contracts, and shall be included in the bid package. Security shall be in the form of a bond with a value of at least 5% of the amount of the bid, provided by a surety company that is authorized to do business in Washington State, or the equivalent in cash or certified check. Bid security shall be required on bids for materials, supplies, and equipment only if it is determined to be necessary. When the invitation for bids requires submittal of bid security, noncompliance will result in rejection of the bid. If a bidder is permitted to withdraw a bid before award, its bid security shall be returned.

5.7 Insurance

Contracts for public works and professional services shall contain requirements for contractor-provided insurance, as deemed necessary by the District's Attorney.

5.8 Records Management

The Executive Director or his designee shall maintain records of all contracts awarded and all contractor/consultants contacted in the process.

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6.0 Purchasing Recreation Services from Independent Contractors

Purchasing services from instructors, teachers, artists and other independent contractors engaged to teach classes, seminars, or programs as part of a District sponsored program have unique characteristics. Customer preference, teaching method, personality of the instructor, teacher or artist greatly influences the customer and their willingness to enroll in a class or seminar and pay the requisite fees. Consequently, in the acquisition of these and similar services, there is no requirement for bidding or quotation unless the purchase price/acquisition cost exceeds \$50,000 in a calendar year.

7.0 Emergency Purchases

7.1 Authority and Definitions

The Executive Director or his or her designee is authorized to make emergency purchases, up to \$10,000 upon a finding, duly entered of record, of the existence of an emergency. Such emergencies may include, but are not limited to:

- A. Service Interruption: Any breakage or loss of equipment or in other circumstances in which necessary service is interrupted or is about to be interrupted; and
- B. Timing: Situations where the District may suffer a substantial loss by reason of the time required for following the regular purchasing procedures, which shall be reported to the District Board at the next subsequent regular meeting.

The Finance Committee can authorize emergency purchasing in excess of \$10,000 in consultation with the Board.

8.0 Unauthorized Purchases

8.1 Definition

No District employee shall purchase or contract for any supplies, material, equipment or contractual service or make any contract within the purview of this policy other than through the Executive Director or his or her designee. Any purchase or contract made contrary to the provisions of this policy shall not be approved by any District officer and the District shall not be bound except as may be required or provided by law.

8.2 Responsibility for Unauthorized Purchases

District employees other than those identified in this policy are not authorized to make purchase agreements binding and obligating the District to a financial commitment. Should a District employee violate this trust and the District experiences a financial loss, then the District shall be entitled to recover the full amount of such loss from the employee.

9.0 Splitting Purchase Orders, Invoices and Contracts

Splitting of a purchase order, contract or an invoice to avoid seeking and receiving the approvals required by this policy and its administrative procedures is prohibited.

10.0 Purchasing Approval and Payment Procedures

10.1 Purchase Order Review and Approval

It shall be the administrative function of the Executive Director or his or her designee to issue purchase order numbers for all District purchases. Exceptions are allowed for purchases under \$1,000 that are made with a purchasing card or an established account or for routine service invoices for utilities, subscriptions, memberships, legal services, quarterly taxes and to contractors with an approved contract for services. These invoices can be stamped "approved" and signed by the Executive Director. All other purchase orders must be approved in accordance with the District's purchasing policy. All purchase orders so reviewed and approved shall carry the signature of the Executive Director or his or her designee..

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10.2 Voucher Approval for Payments

The Executive Director or his designee shall determine a schedule for approving and submitting vouchers for payment.

10.2.1 Voucher Approval

All vouchers which are submitted for payment will be approved for payment by the Executive Director and the District Accountant. The submitting of vouchers for payment by the Clallam County Auditor will be done at a frequency to ensure timely payment to all vendors.

10.2.2 Board Review

The vouchers and supporting documentation will then be presented to the Board at the following scheduled regular meeting for consent approval.

10.3 Purchase Approval Authority for all Open Market, Roster, Vendor Purchases and Competitive Biddings and Contract Award

Supervisors have authority to make purchases up to \$1,000 for budgeted items or reoccurring supplies and inventory and chemicals.

10.3.1 More then \$1,000 and less then \$3,000

The Executive Director or his or her designee for the above purchase levels shall be authorized to issue and sign purchase orders to vendors, review and approve invoices. The invoices will then be submitted for review and voucher approval and submit such vouchers to the Clallam County Treasurer for payment.

10.3.2 More then \$3,000 and less then \$20,000

The Finance Committee of the Board for the above purchase levels shall authorize any purchase in the above amount through a signed purchase order or contract. The vendor will then issue an invoice for services rendered. Following delivery of the purchased item or work and inspection, the Executive Director shall approve the invoice. The invoices will then be submitted for review and voucher approval and submit such vouchers to the Clallam County Treasurer for payment.

10.3.3. More then \$20,000

The Board shall first approve any contract award for purchase. Following contract award and the issuance of a signed purchase order, the vendor will issue an invoice for services rendered. Upon delivery of the purchased item or work and inspection, the Executive Director shall approve the invoice. The invoices will then be submitted for review and voucher approval and submit such vouchers to the Clallam County Treasurer for payment.

10.4 Contract Change Order Authority

The Executive Director shall have authority to approve and sign construction change orders less then \$15,000 on construction contracts if the change order does not substantially change the scope of the project and if the total contract amount as adjusted by the change order is within the amount budgeted for the project. For construction change orders which exceed \$15,000 or substantially change the scope of the project or budget approval from the Finance Committee is required.

11.0 Purchasing Cards

11.1 Issuance, Use and Control of Purchasing Cards

The District hereby adopts the following system for the issuance, use and control of purchasing cards by District officials, and employees accordingly. The Executive Director shall implement the following system for managing the distribution, use, control, credit limits and payment of bills related to the use of credit cards by District officials and employees. The Executive Director is authorized to adopt any additional procedures or policies necessary to implement the provisions of this section.

11.2 Distribution

The Executive Director may obtain and authorize supervisors to carry credit cards for use when the purchasing card use would benefit the District.

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11.3 Authorization and Control

The Executive Director or his or her designee shall manage the accounting controls to ensure the proper usage of purchasing cards and purchasing card funds.

11.4 Credit Limit

The credit limit for the card issued to the Executive Director shall not exceed \$5,000 per month. The purchase card, which is maintain in the safe for use of Supervisors shall not exceed \$5,000 per month. With the approval of the District Accountant approved larger purchases can be made within the budget restraints. Any single purchase is to be made in accordance to Section 10 of this policy.

11.5 Preferred Uses of Purchasing Card

The use of a purchasing card will benefit the District when used instead of petty cash and when the purchasing card is used for purchasing of operating supplies, also business related to travel in lieu of using the purchase order process and in accordance with the policies contained within this section.

11.6 Payment of Purchasing Card Bills

The Executive Director or his or her designee shall establish and implement a written procedure for the payment of all purchasing card bills. Payment and authorization of purchases on the card will be made according to section 10 of the purchasing policy.

11.7 Unauthorized Charges and Use

No employee of the District shall use the District issued purchasing card for non-District business. Any employee who violates this policy shall be subject to disciplinary action up to and including termination and shall be billed for all charges on the purchasing card. The Executive Director or his or her designee is authorized and directed to make payroll deductions to recover any unauthorized charges.

11.8 Lost or Stolen Purchasing Cards

The Cardholder will first immediately contact the Card Issuer, then notify the Executive Director or his or her designee.

11.9 Cash Advances

Cash advances on purchasing cards are prohibited except in the case of an emergency.

11.10 Return of Purchasing Card at Employment Termination

The Cardholder must return purchasing card to his or her supervisor upon termination.