

## **PUBLIC UTILITY DISTRICT No. 1 of Whatcom County**

Agenda for the Regular Meeting of July 09, 2024

8:15 a.m. at the PUD Office

(In-person, Zoom, & Teleconference)

1. Call to Order | Pledge of Allegiance
2. Approval of Agenda (2 minutes)
3. New Employee Introductions (5 minutes)
4. Consent Agenda (5 min.)
  - a) Approval of the Minutes of the Regular Meeting of June 25, 2024
  - b) Approval of Claims for July 09, 2024
5. Public Comment (10 minutes – Individual speakers: 3 min.)
6. Comments from WPUDA (20 min.)
7. General Manager Report (10 min.)
8. Old Business (30 min.)
  - a) Broadband Update
  - b) Adjudication Update
  - c) Geothermal Update
9. New Business (20 min.)
  - a) Action Memo to approve Resolution 857 (Small Works Roster)
  - b) Action Memo to approve Resolution 858 (Purchasing Policy)
  - c) Set July 26 Special Commission Meeting
  - d) Discussion of new Strategic Planning effort.
10. Operations Report (10 minutes)
11. Commissioner Reports (10 minutes)
  - a) Upcoming Per Diem Requests
12. Public Comment (10 minutes– Individual speakers: 3 min.)
13. Executive Session: None Planned
14. Adjourn (Estimated 11:00 a.m.)

**Notice:**

All Commissioners will participate either in-person, via Zoom/internet or teleconference.

**The public meeting can be accessed:** In-person at location announced;

**By internet:** <https://us02web.zoom.us/j/82184353807>

**Or telephone:** Dial 1 (253) 215 8782 or 1 (346) 248 7799

**Webinar ID:** 821 8435 3807

### **Next Commission Meetings**

July 23 and August 13, 2024 | 8:15 a.m. | Regular Meetings – District Office  
1705 Trigg Road, Ferndale, WA 98248

*or other location announced*

Contact: Chris Heimgartner, General Manager (360) 384-4288 x 19

[info@pudwhatcom.org](mailto:info@pudwhatcom.org)

[www.pudwhatcom.org](http://www.pudwhatcom.org)

# DRAFT

AGENDA ITEM #4a  
July 09, 2024

## MINUTES OF THE REGULAR MEETING OF THE COMMISSION

June 25, 2024

### 1. Call to Order | Pledge of Allegiance

The regular meeting of the Board of Commissioners of Public Utility District No. 1 of Whatcom County was called to order at 8:15 a.m. by Commissioner Jaime Arnett. Said meeting was open to the public and notice thereof had been given as required by law. Those present included: Commissioner Todd Lagestee, Commissioner Atul Deshmane, Commissioner Jaime Arnett and Legal Counsel Jon Sitkin. Staff: General Manager Chris Heimgartner; Andrew Entrikin, Broadband Program Manager; Brian Walters, Assistant General Manager; Kurt Wank, Assistant General Manager; Annette Smith, Director of Finance; Stephanie Hooper, Accountant I; Rebecca Schlotterback, Contracts and Regulatory Compliance Manager; and Mike Macomber, IT/SCADA Technician..

Public attending:  
Michael  
Jack Wellman

### 2. Approval of Agenda

**ACTION:** Commissioner Deshmane made the motion to APPROVE THE AGENDA OF June 25, 2024 AS AMENDED. Commissioner Lagestee seconded the motion. Motion passed unanimously.

### 3. Approval of Consent Agenda

- a) Approval of Meeting Minutes of the Regular Meeting of June 11 (with corrections), 2024;
- b) Approval of Meeting Minutes of the Special Meeting of June 21, 2024;
- c) Approval of the Claims of June 25, 2024;

**ACTION:** Commissioner Lagestee made the motion to APPROVE THE CONSENT AGENDA OF MAY 28, 2024. Commissioner Deshmane seconded the motion. Motion passed unanimously.

### 4. Public Comment – None made.

### 5. General Manager's Report

General Report, no action taken.

### 6. Old Business

#### a) Broadband Program Update

Entrikin provided an update on Point Roberts.

#### b) Adjudication Update

Appel Dairy Water Rights issue discussed. Motion to have CSD respond made by Commissioner Deshmane and seconded by Commissioner Lagestee and passed unanimously.

#### c) Geothermal Update

Routine Status Report.

### 7. New Business

a) **Action memo to approve pole attachment agreement with PSE.** **ACTION:** Commissioner Deshmane made the motion to approve the agreement, Commissioner Lagestee seconded and the motion passed unanimously.



## Action Memo

**To:** Commissioners Arnett, Deshmane, and Lagestee  
**From:** Kurt Wank – Assistant General Manager  
**Date:** July 9, 2024  
**Re:** Approve Resolution No. 857, MRSC Small Works Roster

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**Requested Action:** APPROVE RESOLUTION NO. 857, DISTRICT POLICY FOR UTILIZATION OF MUNICIPAL RESEARCH AND SERVICES CENTER SMALL WORKS ROSTER AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE POLICY.

**Background:** The Washington State 2023 Legislative Session passed Second Substitute Senate Bill 5268. The Washington State Department of Enterprise Services states that : “changes will make it easier for small businesses and public agencies to use the small works roster to contract small public works projects.” The law updates existing small works roster requirements, creates a state wide roster, aligns state financial thresholds, and adds a direct contracting option.

District staff has determined the new requirements of an independent roster are too burdensome in cost of time and resources. The law allows smaller districts to utilize the Municipal Research and Service Center small works roster to their benefit. The Municipal Research and Service Center is a research agency who supports local governments by providing industry accepted practices and is the administrator of the statewide small works roster.

**Fiscal Impact:** Approval of Resolution No. 857 will have no fiscal impact on the District's approved 2024 Annual Budget.

**Recommended Action:** APPROVE RESOLUTION NO. 857, DISTRICT POLICY FOR UTILIZATION OF MUNICIPAL RESEARCH AND SERVICES CENTER SMALL WORKS ROSTER AND AUTHORIZE THE DISTRICT'S GENERAL MANAGER TO EXECUTE THE POLICY.

**RESOLUTION NO. 857**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE PUBLIC UTILITY DISTRICT NO. 1 OF WHATCOM COUNTY (“DISTRICT”) APPROVING THE POLICY FOR UTILIZATION OF MUNICIPAL RESEARCH and SERVICES CENTER (MRSC) SMALL WORKS ROSTER FOR PURPOSES OF PROCUREMENT OF PUBLIC WORKS PROJECTS**

**WHEREAS**, RCW 39.04.151(4) authorizes the Board of Commissioners of the District (the “Commission”) to establish a Small Works Roster; and

**WHEREAS**, the Commission finds it in the best interest of the District to participate in the Municipal Research and Services Center (“MRSC”) Small Works roster; and

**WHEREAS**, Washington Administrative Code (WAC) 200-330 authorizes the District to follow the procedures implemented by MRSC; and

**WHEREAS**, the General Manager has determined the need for establishing the procedures outlined by MRSC for compliance with the appropriate RCW and WAC by the District.

**NOW, THEREFORE, BE IT RESOLVED** by the Commission of Public Utility District No. 1 of Whatcom County as follows:

**I**

The *Policy for Utilization of MRSC Small Works Roster*, is authorized by the Commission of the Public Utility District No.1 of Whatcom County for the purpose of procurement of public works; and

**II**

The approval of Resolution 857 by the Commission will align the District with Washington State law.

**ADOPTED** by the Board of Commissioners of Public Utility District No. 1 of Whatcom County at a regular meeting thereof, held this 9th day of July, 2024.

**Public Utility District No. 1 of Whatcom County**

\_\_\_\_\_  
Jaime Arnett, President/Commissioner

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Atul Deshmane, Vice President/Commissioner

\_\_\_\_\_  
Todd Lagestee/Commissioner

## Action Memo

**To:** Commissioners Arnett, Deshmane, and Lagestee  
**From:** Annette Smith, Director of Finance  
**Date:** July 9, 2024  
**Re:** Purchasing Policy Revisions

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**Requested Action:** APPROVE RESOLUTION 858 FOR REVISIONS TO THE DISTRICT'S PURCHASING POLICY

**Background:** On November 27, 2007, the Commission initially approved a formal Purchasing Policy. Since that time, occasional adjustments have been made due to RCW and internal policy changes. The last update was in July of 2023 to include an evaluation matrix for professional services and to clarify the use of Purchase Orders.

The changes to the Purchasing Policy this time concerns:

- **Federal Grants** – Include language needed for purchasing using federal funds.
- **RCW 39.04.151** – Adjust for changes in the Small Works procedure including using the MRSC roster.
- **RCW 39.04.320** - Apprenticeship requirements in public works projects
- **WAC 200-330-050 and RCW 39.04.152**– Small, Minority, Women, and Veteran-owned Small Business Utilization Plan
- **WAC 200-330-050 and RCW 39.04.152**– Direct Contracting and contractor rotation plan

**Fiscal Impact:** None

**Recommended Action:** APPROVE RESOLUTION 858 FOR REVISIONS TO THE DISTRICT'S PURCHASING POLICY

**RESOLUTION NO. 858**

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF  
THE WHATCOM COUNTY PUBLIC UTILITY DISTRICT NO.  
1 UPDATING THE POLICY AND PROCEDURE FOR  
PURCHASING AND PUBLIC WORKS CONTRACTING**

**WHEREAS**, the District established a Purchasing Policy with Resolution 592; and

**WHEREAS**, RCW 54.04.070, 39.04.151, 39.04.152, and 39.04.320, were each amended or created by the Washington State Legislature effective July 2024. These statutes relate to purchasing and the awarding of contracts for Public Utility Districts; and

**WHEREAS**, the District is required to adopt a resolution establishing specific procedures in order to implement the amended laws; and

**WHEREAS**, the Commission has determined it is in the best interest of Public Utility No. 1 of Whatcom County to establish such procedures.

**NOW, THEREFORE, BE IT RESOLVED**, that the Commissioners of Public Utility No. 1 of Whatcom County do hereby adopt the Purchasing Procedures, which relate to policies and procedures for purchasing and public works contracting, as set forth in Attachment A, and Table 1, Matrix of Purchasing Requirements as set forth in Attachment B. The attached Purchasing Procedures and Matrix are incorporated into this Resolution as though fully set forth herein.

The attached Purchasing Procedures and Matrix supersede all previous policy and procedures on the matters set forth therein.

**ADOPTED** by the Board of Commissioners of the PUD, at its regular meeting held on the 9 day of July, 2024.

\_\_\_\_\_  
President/Commissioner

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Secretary/Commissioner

\_\_\_\_\_  
Commissioner



# **Purchasing Procedures**

Effective July 9, 2024

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**ATTACHMENT** Table 1



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**ACQUISITION OF EQUIPMENT, MATERIALS, SUPPLIES,  
SERVICES, PUBLIC WORK, AND PROFESSIONAL SERVICES  
FOR THE PUBLIC UTILITY DISTRICT NO. 1 OF  
WHATCOM COUNTY**

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**POLICY:** The Public Utility District No. 1 of Whatcom County ("District") establishes these Purchasing Procedures ("Procedures") to set forth the policy and procedures by which the District will acquire equipment, materials, supplies, and services, and competitively bid public work projects in a manner that is consistent with the applicable statutory provisions of the Revised Code of Washington (RCW) and in accordance with District Resolutions resulting in the most effective delivery of services considering, where allowed, not only cost but value received. In adopting this policy, the District does not waive any rights granted by State law in the context of purchasing and procurement.

All purchasing dollar limits are subject to change by revisions of governing laws. The current limits as set by the RCW prevail over the stated limits in this policy.

The purchasing limit associated with the General Manager is stated and updated in the current Delegation of Authority Resolution.

**PURPOSE:** This administrative manual establishes procedures, responsibilities and practices to be followed by the District in acquiring equipment, materials, and services, and competitively bidding public work to accomplish the overall mission of the District.

**AUTHORITY:** The authority to establish and from time to time amend these procedures rests with the General Manager of the District to the extent allowed by the current "Delegation of Powers" Resolution approved by the Commission of the District.



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## A. GENERAL PROCEDURES AND PRACTICES

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### 1. INDIVIDUAL AUTHORITY

Through a formal "Delegation of Powers" adopted by a District Resolution, purchasing authority is granted by the General Manager to individual employees at levels set by the General Manager. The General Manager will maintain a written list of those staff members that have been granted purchasing authority. These purchasing limits are subject to all purchasing guidelines imposed by both the internal District purchasing policy and the applicable provisions of the RCWs. Public Work projects shall comply with these Procedures and the applicable provisions of the RCW.

### 2. PURCHASING UNDER COOPERATIVE CONTRACTS

Pursuant to RCW Chapter **(39.34)**, the District has entered into agreements with both the State of Washington and the King County Directors Association (KCDA). Both agencies are purchasing cooperatives who maintain lists of approved vendors for a wide array of products and services. From time to time, the District may enter into similar cooperative contracts, which the District shall implement in a manner consistent with these Procedures herein.

The District encourages the purchase of goods and services covered by contracts available through the State of Washington and KCDA. Utilization of these purchasing programs will suffice in lieu of the need to solicit bids.

Listed below are two of the State of Washington contracts sites for reference:  
Office of State Procurement (OSP): <https://fortress.wa.gov/ga/inet/pca/pcacont.htm>  
Department of Information Services:  
[http://techmall.dis.wa.gov/borders/alpha\\_services\\_list.asp](http://techmall.dis.wa.gov/borders/alpha_services_list.asp)

The KCDA information is available through either the binder located in the District office or on the website: <http://kcda.org> website.

### 3. LOCAL PREFERENCE

All things being equal in terms of cost, delivery and vendor support, preference will be given to vendors and/or providers of services operating in Whatcom County. Purchasers are encouraged to use the cooperative purchasing contracts.

### 4. USE OF RECYCLED PRODUCTS

Products utilized by the District shall be made from recycled materials if such products are reasonably available, are of acceptable quality, and are generally priced the same as similar products not made from recycled materials. The determination of recycled materials shall be

generally consistent with the United States Environmental Protection Agency guidelines for Federal Procurement of materials made from recycled and recovered materials. Reports and other written documents utilizing recycled paper should be so marked.

## 5. ITEMS PURCHASED FOR RESALE

If the District purchases items (hats, sweatshirts, etc.) for resale, the District does not pay the vendor any Washington State Sales Tax. The vendor is given a completed Resale Certificate, with the District's Washington State UBI #371 008 166 000. Washington State Sales Tax is collected when the District resells the item.

## 6. AVAILABILITY OF FUNDS

It shall be the obligation of the General Manager to ensure that purchases are initiated only where budgeted funds within a particular account are sufficient to cover the anticipated cost. This applies to both operating budget line items and capital budget accounts.

The General Manager is responsible for ensuring that contract costs do not exceed authorized contract amounts including approved contingency allowances *and* that aggregate project costs do not exceed the authorized budget line item.

When anticipating that funds budgeted for a specific purchase are insufficient, the purchaser should review available options for completing the funding with the District's Director of Finance.

## 7. CONFLICTS OF INTEREST

No District official, elected, appointed, or hired, nor their immediate families (children or spouse) may profit from the procurement of equipment, materials, supplies, or services provided for or obtained for the District. The General Manager (or District Commission as deemed appropriate) will address any possible conflicts of interest.

For more information on Conflicts of Interest, refer to the District Employee Handbook.

## 8. PURCHASE ORDERS (POs)

The PO is the vendor's authorization to ship and/or deliver equipment, material, supplies, or services. The PO is used by accounting to verify the item, quantity, and price that was ordered and agreed upon. The acquisition of any equipment, material, supplies or services over \$2,500, exclusive of sales tax, must be accompanied by a PO or other written and duly authorized agreement **before** the goods, materials or services are ordered, if payment is not made immediately (ex. in-store purchase, credit card purchase)

The PO must be completed in its entirety and include:

- Name of Vendor
- Date
- Billing Address
- Quantity, rate and description of material or service to be purchased
- Actual cost if known or noted 'Not To Exceed' estimate (with or without sales tax)

- Terms
- Any additional, relevant information for the purchase

Completed POs are to be distributed as follows:

- *Faxed/PDF* copy- vendor
- *Original* copy- PO Book in central office space
- *Electronic* copy- retained for records

9. EXECUTION OF CONTRACTS: PO

With respect to the purchase of materials, equipment, supplies, and services, the PO approved by the appropriate authorizing staff and accepted by the vendor shall constitute the written contract, *except* where special terms or conditions necessitate the use of a more formalized contractual agreement.

10. MULTIPLE PURCHASES IN THE SAME MONTH

Multiple purchases, when taken together from the same vendor for the same material, equipment, or supply, are subject to the purchasing requirements in RCW 54.04.070. This currently limits purchases of the same kind of items of materials, equipment and supplies to not exceed \$12,000 (excluding sales tax) in any calendar month without a contract.

11. DISTRICT STAFF LIMITATIONS ON PERFORMING WORK

The District may undertake an accepted industry practice to employ prudent utility management and use its own regularly employed personnel to perform work when the material utilized does not exceed the limitation imposed in RCW 54.04.070 (currently \$300,000, excluding tax) per project. Per RCW 54.04.070 (2), the term "equipment" includes but is not limited to conductor, cabling, wire, pipe, or lines used for electrical, water, fiber optic, or telecommunications.

12. UNAUTHORIZED PURCHASES

The District shall not be obligated to pay any vendor for any purchase unless the District's policies have been adhered to concerning purchasing limits, purchase orders, and/or contractual agreements.

The District has no legal obligation to pay the vendor for any purchases made outside of this purchasing policy, and the individual making the purchase may be held personally responsible for the purchase.

All POs and/or contractual agreements must be duly approved and authorized ***before*** the purchase is made.

13. INVOICE APPROVAL

Whereas an approval of the PO authorizes a purchase, an invoice indicates that the goods or services were actually received. The authorized purchasing limits for each District staff position is maintained by the General Manager and is subject to change.

- Per RCW 42.24.080, goods must be received, services rendered, labor performed prior to payment. Any advance or progress payment must be pre-arranged in a contract.

Note: Upon receipt of material, equipment, supplies or services, (if available), attach the packing slip/delivery receipt to the invoice and turn the invoice in to Accounts Payable for payment.

#### 14. RECEIPT OF GOODS: Material Safety Data Sheets (MSDS)

The authorized purchaser is responsible for the tracking of deliveries and inspection of material, equipment, or supplies upon arrival as well as obtaining the MSDS from the vendor at the time of purchase, if applicable. These items shall be tested as deemed necessary to determine their conformance with contracts and/or specifications prior to payment. The packing slip should be signed, dated, and returned to Accounts Payable in a timely fashion.

A copy of all MSDS sheets should be properly filed with the Districts designated MSDS manager, included in the safety policies, and kept on file at each plant or other District location of storage or use.

#### 15. WARRANTY INFORMATION:

Warranty information for any assets should be filed with the Accounting Department along with a copy of the asset so that should repairs be necessary, warranty information is available prior to repair.

#### 16. EMERGENCY PURCHASES:

On the occasion of an emergency in which an unforeseen circumstance beyond the control of the District presents a real, immediate threat 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, in accordance with RCW 39.04.280, the General Manager is authorized to purchase goods, materials, equipment, or services necessary to stabilize the emergency condition, temporarily suspending the guidelines set out in the District's Purchasing Policy. Emergency contracts executed pursuant to the authority herein shall contain a clause which states that the contract is subject to ratification by the Commission and that if ratification does not follow, the contract shall terminate, and the Contractor shall be compensated for his/her work and materials used to the time of termination.

If the purchase falls outside of the normal purchasing guidelines, as soon as possible, following the emergency, the purchase must be properly documented on an incident report form obtained from and returned to the Accounting Department.

#### 17. SOLE SOURCE PURCHASES:

Per RCW 39.04.280, '...Competitive bidding requirements may be waived by the governing body of the municipality for purchases that are clearly and legitimately limited to a single source of supply,' or 'purchases involving special facilities or market conditions...'. If an item is thought to have a single source of supply, that needs to be verified and documented. A resolution will need to be passed declaring a sole source and the reasons why.

#### 18. CHECK REQUESTS

Check Request Forms are available from Accounts Payable. Submit this form to Accounts Payable for minor expenses such as freight, permit fees, postage, small supplies, registration fees, customer refunds, etc. when an actual invoice is unavailable.

Check requests must be approved by the supervisor and submitted to Accounts payable.

## 19. CREDIT CARDS

Purchases that are charged to one of the District's credit cards are subject to the same purchasing guidelines and limits as any other purchase.

A detailed original transaction receipt *must* be submitted to Accounts Payable in order to facilitate the monthly payment of the credit card. The designated supervisor will review and approve all credit card purchases prior to payment. Employees will be held responsible for the payment of any unapproved purchases.

## 20. CAPITAL PURCHASE/CAPITAL MAINTENANCE

- Capital Purchases are expenditures used in the operation of the District which are more than \$5,000, excluding sales tax, and have a useful life longer than one year.
- Maintenance projects are "capitalized" if the work costs more than \$10,000 and increases the useful life or enhances the use of the asset.
- All proposed Capital Purchases **and** Capital Maintenance projects (greater than \$10,000) are approved through the annual budget process.
- Any capital expenditure for material, equipment, work, or services NOT approved through the formal budget process *must* have a Capital Purchase Authorization Form completed and approved following the current purchasing guidelines.

The Capital Purchase Authorization Form is intended to allow:

- a. Oversight regarding the purchase,
- b. CWIP (Capital Work In Progress) Account numbers for expense tracking, and
- c. Detailed information to account for the completed project properly.

## 21. CONTRACT LIMITS

All contracts the District participates in will have duration limits, regardless of the dollar amounts. Contracts deemed to fall under the Professional Services category will not extend beyond 5 years. The Commission will individually approve power transmission and power supply contract length. All other contracts will not extend beyond three years. Contract lengths can be extended if specifically approved by the Commission for a defined purpose.

## 22. FEDERALLY FUNDED PROJECTS

The purpose of this policy is to implement the requirements of federal guidance, when applicable, with regard to procurement of goods and services and the bidding on public contracts for public works, goods, services, supplies, and materials. It is the District's policy to follow state and, when applicable, federal requirements with regard to the expenditure of public funds, to provide a fair forum for those interested in bidding on public contracts, and to help ensure that public contracts are performed satisfactorily and efficiently at least cost to the public, while avoiding fraud, waste, and favoritism in their award. For federally funded purchases and contracts, the purpose of this policy is to also ensure that there is no abuse of federal funds and that all allowable costs are accorded consistent treatment.

Procurements using federal funds must meet all of the applicable federal, state, and local government specific requirements. The most restrictive threshold or method must be used. If there are no state laws or local policies that pertain to the item/service being procured, federal procurement standards will apply as outlined in Federal Uniform Guidance 2 CFR §200.

### **A. Purchasing Code of Ethics**

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. Disciplinary action will be taken against any employee, up to and including termination, for any violation of these ethics and standards.

### **B. Procedures**

The District will avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.



*Subpart D of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards – 2 CFR 200* (“Uniform Guidance”) provides the federal requirements for procurement.

When federal funds are used to pay for all or a portion of goods and services, federal regulations require that the District ensure compliance with:

- State laws and District policies related to procurement. Federal procurement requirements apply if there is no corresponding state law covering bid requirements;
- Suspension and Debarment at [www.sam.gov](http://www.sam.gov); and
- Davis-Bacon Act (prevailing wage) requirements.

At any dollar amount, the most restrictive of federal, state, or District-policy level requirements will be met.

The Uniform Guidance allows for five options for the procurement of materials, supplies, equipment, services, including professional services, or public works:

- 1. Small Purchase Procedures.** Price or rate quotations must be obtained from an adequate number of qualified sources for purchases of services, supplies, or other property costing less than the Simplified Acquisition Threshold, currently set at Two Hundred Fifty Thousand Dollars (\$250,000.00). The Simplified Acquisition Threshold is periodically adjusted for inflation (See 2 CFR § 200.88, and Office of Management and Budget (“OMB”) Memorandum M-18-18).
- 2. Formal Sealed Bids.** Advertise for purchases costing the Simplified Acquisition Threshold Two Hundred Fifty Thousand Dollars (\$250,000.00) or more. If this method is used, there are specific requirements that apply at 2 CFR §200.320(c)(2).
- 3. Competitive Proposals (RFP/RFQ).** Advertise for competitive proposal purchases meeting or exceeding the Simplified Acquisition Threshold. However, there is no threshold for Professional Services (Architects/Engineers), whereby price is not a factor in the selection. If this method is used, there are specific requirements that apply at 2 CFR §200.320(d)(1)-(5).
- 4. Noncompetitive Proposals.** A non-competitive purchase occurs when the District determines competition is inadequate, the item or service is available only from a single source of supply, or there is an emergency situation where competitive bidding would cause an unreasonable delay.
- 5. Micro Purchases.** Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the Micro-Purchase Threshold, currently set at Ten Thousand Dollars (\$10,000.00) (Two Thousand Dollars (\$2,000) for public works). Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price reasonable. To the extent practicable, the District must distribute micro-purchases equitably among qualified suppliers. The Micro-Purchase Threshold is periodically adjusted for inflation. (See 2 CFR § 200.67 and OMB Memorandum M-18-18)



In all cases, the District will maintain records sufficient to support its procurement decisions. These records will include:

- The rationale for the method of procurement;
- Selection of contract type;
- Contractor selection or rejection; and
- Basis for contract price

### **C. Suspension and Debarment**

Before entering into federally funded vendor contracts for goods and services, the District will ensure the vendor is not suspended or debarred from participating in federal assistance programs. Documentation of the verification of this status shall be maintained by the District.

### **23. SMALL, MINORITY, WOMEN, AND VETERAN-OWNED SMALL BUSINESSES UTILIZATION PLAN**

#### **Purpose**

The District is authorized to use Direct Contracting for public works projects under \$150,000.00 in conjunction with its adopted Small Works Roster. The District is establishing this small, minority, women, and veteran-owned business utilization plan to comply with RCW 39.04.152(4)(b)(iv).

#### **Plan**

The District shall use MRSC Rosters (established by the Municipal Research and Services Center) as its small works roster to identify certified small, minority, women, and veteran-owned business. This was adopted with Resolution 857.

The District shall use the Direct Contracting procedures authorized under the law and under the District's most recently adopted purchasing resolution (currently Resolution 858) to solicit direct contracts with certified small, minority, women, and veteran-owned business whenever feasible. The District shall use best efforts to rotate contracts among eligible small, minority, women, and veteran-owned businesses even when rotation is not required.

**Reporting and Documentation.** The General Manager or designee shall document on an annual basis the number of public work projects under \$150,000 that were awarded during the prior calendar year and shall document whether the awarded contracts were awarded to certified small, minority, women, and veteran-owned business. As this is a new metric that hasn't been tracked in the past, the District will track the percentage of certified small business awarded contracts to better understand the amount of activity with a view for increasing diverse business participation.

### **24. DIRECT CONTRACTING CONTRACTOR ROTATION PLAN, SOLICITATIONS, NEGOTIATION, AND RECORDKEEPING**



Per WAC 200-330-050 and RCW 39.04.152, the District is reserving the option to use Direct Contracting as practicable in the Small Works Roster process. As required, the District has established the following contractor rotation plan:

It is the District's policy to not favor contractors by repeatedly awarding contracts to certain contractors without documented attempts to negotiate with others. The District will consider nonresponsive solicitations and the inability to negotiate an agreed price as part of its rotation plan. This plan is intended to help increase the likelihood of small works roster awards going to a broad range of small businesses. This plan is to be referred to with each use of the Direct Contracting process.

If there are six or more contractors meeting the definition of small business on the applicable roster (MRSC small works roster), the District must direct contract with one of those small businesses. The District must rotate through the roster of appropriate and qualified contractors from the roster who may perform the work or deliver the services within the budget. If there are five or less contractors meeting the definition of small business on the roster, the District may contract with any contractor. The District will notify all other contractors on the applicable roster of award when a contract is awarded through Direct Contracting. A record will be kept of all contractors used via Direct Contracting to ensure that all responsible contractors are utilized before any repeat contracting.

When soliciting quotes under Direct Contracting, the District will provide (i) sufficient description of work for the contractor to develop a price; (ii) a deadline for receipt of the quote; and (iii) any timeline requirements for mobilization.

The District may not engage in bid shopping using the Direct Contracting process. If the District and the contractor cannot agree on a price, the District may end negotiations and move to the next contractor on the rotation. However, if the District and the next contractor on the rotation cannot agree on a contract price, the District must competitively bid the work.

The District will maintain records of its efforts under Direct Contracting, including: (i) the contractors solicited for the contract; (ii) whether the contractor responded to the solicitation; (iii) records of price negotiations; (iv) the contracts awarded and to whom; and (v) the reasons a negotiated contract could not be reached.

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## B. ACQUISITION PROCEDURES BY TYPE OF PURCHASE

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The purchasing acquisition procedures vary by type and amount as specified in the Revised Code of Washington (RCW) governing District and internal District policy. Table 1 (enclosed within this document) contains those requirements by type and amount of purchase. Following the procedures for acquisition by the type of purchase, will be the detailed definitions and instructions on the different procedures. Specific questions regarding District purchasing requirements and/or formal purchasing contracts should be directed to the Accounting Department. Any RCW dollar limits override the stated limits in this policy. If any Federal Funds are used to pay for a purchase, the procedures outlined in the Federally Funded Projects should be followed. The most restrictive thresholds or method of the applicable federal, state, and local requirements should be used when involving Federal Funds.

### 1. MATERIALS, EQUIPMENT, & SUPPLIES

The District can make purchases of the same kind of material, equipment or supplies totaling under \$12,000 in any calendar month without a contract. Purchases of the same kind of material, equipment or supplies in one calendar month exceeding \$12,000 shall be made by contract through competitive bidding. These purchases are split into four categories based on the dollar amount. All dollar amounts are excluding sales tax. If Federal Funds are involved, the requirements may be different.

- a. < \$2,500 – These purchases are designed for the daily usual and customary purchases for the maintenance and operation of the District. These are restricted by the individual purchasing limits maintained by the General Manager. All employees are expected to seek the best value in purchasing.
- b. \$2,500 - \$30,000 – These purchases are also governed by the individual purchasing limits. The General Manager may authorize any amount up to his limit set in the Delegation of Authority. Amounts over the limit require Commission approval. These purchases also require the use of a Purchase Order listing at the minimum:
  - i. Name of Vendor
  - ii. Date
  - iii. Billing Address
  - iv. Name of District employee responsible for purchase
  - v. Quantity, rate and description of purchase
  - vi. Actual cost if known or noted not to exceed estimate (including the sales tax)
  - vii. Terms
- c. > \$60,000 – These purchases should follow the directions for *Competitive Bidding and Contracts*.

### 2. ELECTRONIC DATA PROCESSING & TELECOMMUNICATION SYSTEMS

These purchases are categorized by the type of equipment being bought. If the equipment is 'off-the-shelf', then the guidelines for Material, Equipment, and Supplies apply. If the equipment or



software is customized, then the purchases should be obtained through *Competitive Negotiations*. **If Federal Funds are involved, the requirements may be different.**

### 3. CONTRACTS FOR PROFESSIONAL SERVICES, CONSULTANTS, AND SERVICES (Excluding Engineering & Architectural)

A Consultant is an independent individual or firm contracting with an agency to perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work. Intangible properties such as human effort, experience, and impartial advice cannot be evaluated strictly on cost. Evaluation criteria for professional services and consultants may include quality, reputation, experience, and technical capabilities among the evaluation criteria. **If Federal Funds are involved, the requirements may be different.**

Retention of legal services is not subject to the following guidelines and limitations, if such services may be retained as approved by the Commission and/or the General Manager, as such authority may be delegated by the Commission.

When there are multiple firms who can provide comparable, well-defined, uniform services, the following guidelines apply. The purchases are split into three categories, based upon dollar amounts excluding tax:

- a. < GM authorized limit - These purchases are subject to a competitive process at the District's discretion. Authorization is obtained from the General Manger or his designee.
- b.** GM limit - \$150,000 – These purchases are subject to an informal competitive process. Several firms should be evaluated based on multiple factors, with cost not being the sole criteria. Authorization is obtained from the Commission. A Professional Services Evaluation Form should be completed.
- c. > \$150,000 – These purchases are subject to a formal competitive process. Competitive procurement of professional services involves evaluation of proposals based on multiple factors, rather than relying on price as the determinant factor. A Professional Services Evaluation Form should be completed. The process described under *Competitive Negotiations* would be used. Authorization is obtained from the Commission.

Depending on the type of professional services being retained, the qualifications of the consultant may be the primary criteria for selection, without cost being a factor. If available, several firms should be evaluated and selected based on multiple factors/criteria, without cost being a factor. In using an RFQ, a Professional Services Evaluation form will be completed with a list of evaluation criteria specific for the RFQ. Final *Contract Negotiations* with the selected consultant will occur after the consultant's initial selection. If the selected consultant and the District are unable to negotiate an agreement acceptable to the District, the District may then select the next ranked consultant.

### 4. ENGINEERING SURVEYING & ARCHITECTURAL SERVICES

All purchases falling under this category are subject to purchasing through *Contract Negotiations*. Periodically, a request for qualifications (RFQ) will be published for different categories. A firm will be selected using a Professional Services Evaluation form. This firm will be used for the specific

category of work until the next published RFQ. Large projects may result in a separate advertisement and selection. **If Federal Funds are involved, the requirements may be different.** Authorizations are as follows excluding sales tax:

- a. < GM limit– General Manager or Designee
- b. >GM limit – Commission approval required

Once a contract is negotiated, individual projects will be authorized by use of a work order. Each work order will include a scope of work, dollar amount, and authorizing signatures from both the District and contracted firm.

## 5. CONSTRUCTION OR IMPROVEMENT OF ELECTRICAL FACILITY

Per RCW 54.04.080, Construction or Improvement of an Electrical Facility shall mean the construction, moving, maintenance, modification, or enlargement of facilities primarily used or to be used for the transmission or distribution of electricity at voltages above 750 volts, including structures directly supporting transmission or distribution conductors, but not including site preparation, housing, or protective fencing associated with but not included in a contract for such construction, moving, modification, maintenance, or enlargement of such facilities. **If Federal Funds are involved, the requirements may be different.**

All purchases falling under this category are subject to purchasing through use of the *Contract Proposal Form* for prequalified bidders only (RCW 54.04.085). All purchases falling under this category are subject to purchasing using one of the following methods (amounts excluding sales tax):

- <\$2,500 - Individual Purchasing Limits
- \$2,500 - \$50,000 – Individual Purchasing Limits and a Purchase Order
- \$50,000 - \$350,000 – *Small Works Roster*
- >\$350,000 – *Competitive Bid*

Authorizations are as follows excluding sales tax:

- a. < GM limit– General Manager or Designee
- b. >GM limit – Commission approval required

Changes to the scope of Work, Project or Contract, as defined in Section C will be administered in compliance with the general provisions of the project, contract or standard specifications. The General Manager shall have the authority to approve change orders with any single change order amount not to exceed the limit set in the Delegation of Authority. The General Manager shall notify the Commission of change orders when the cumulative total of change orders exceeds 20% of the contract amount. On at least a monthly basis the Finance Director shall provide the Commission with a summary of all change orders approved by the General Manager and/or the Commission on a project by project basis for the preceding month and from the commencement of each project.



## 6. PUBLIC WORKS CONTRACTS

Per RCW 39.04.010, Public Work is defined as all work, construction, alteration, repair, or improvement other than ordinary maintenance (work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so repair does not become necessary). **If Federal Funds are involved, the requirements may be different.**

**All work can always be selected using a formal bid process. The District at its discretion may use an expedited process as allowed by State law in the form of a Small Works Roster process, including Direct Contracting. Starting in July 2024, the District selected MRSC to facilitate the Small Works Roster for the District (Resolution 857).**

All purchases falling under public works are subject to purchasing using one of the following methods (amounts excluding sales tax):

- \$0 - \$150,000 – Small Works Roster, Direct Contracting may be used
- \$150,000 - \$350,000 – Small Works Roster
- >\$350,000 – Competitive Bid

**Public work contracts in excess of \$2,000,000, will be required to include no less than fifteen (15%) of the labor hours to be performed by apprentices (RCW 39.04.320). Effective July 1, 2026, the limit reduces to \$1,500,000. Effective July 1, 2028, the limit reduces to \$1,000,000.**

Authorization guidelines are as follows:

- a. < GM limit– General Manager or Designee
- b. >GM limit – Commission approval required

Under Direct Contracting, the District will utilize both the Contractor Rotation Plan and the Small, Minority, Women, and Veteran-owned Small Business Utilization Plan detailed in Section A of this policy.

Changes to the scope of Work, Project or Contract, as defined in Section C will be administered in compliance with the general provisions of the project, contract or standard specifications. The General Manager shall have the authority to approve change orders with any single change order amount not to exceed the limit set in the Delegation of Authority. The General Manager shall notify the Commission of change orders when the cumulative total of change orders exceeds 20% of the contract amount. On at least a monthly basis the Finance Director shall provide the Commission with a summary of all change orders approved by the General Manager and/or the Commission on a project by project basis for the preceding month and from the commencement of each project.

## 7. UNIT PRICED CONTRACTS

Per RCW 54.04.070, a Unit Price Contract is defined as 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 contract must be executed for an initial contract term not to exceed three years, with the option of extending or renewing the unit priced contract for one additional year. Since the nature of the contract is the unknown quantities, the Commission will

approve all of the contracts, or a 'not to exceed' section will be included in the contract. If Federal Funds are involved, the requirements may be different.

Change orders are handled the same as Public Works.



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## C. DEFINITIONS AND METHODS OF AUTHORIZATIONS

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1. **Apprenticeship** – (RCW 39.04.320) As of July 1, 2024, for all public works contracts awarded by a municipality estimated to cost \$2,000,000 or more, all specifications must require that no less than fifteen percent (15%) of the labor hours be performed by apprentices. The dollar amounts decrease in 2026 and 2028. This may be adjusted for a specific project for any of the following reasons: a demonstrated lack of availability of apprentices in the specific geographic area, a disproportionately high ratio of material costs to labor hours, participating contractors have demonstrated a good faith effort to comply with the requirements, and other criteria the awarding entity deems appropriate (subject to review by the State or by the PUD Commission). The District is responsible for monitoring apprenticeship utilization hours by the contractor. There will be a specific line item in the contract specifying that apprenticeship utilization goals should be met, with monetary incentives for meeting the goals and monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. The District must report the apprenticeship utilization by contractor and subcontractor to the supervisor of apprenticeship at the Department of Labor and Industries by final project acceptance. All contracts subject to this section must include specifications that a contractor or subcontractor may not be required to exceed the apprenticeship utilization requirements.
2. **Change Orders** – (2010 WSDOT and MRSC) A change order is work that is added to or deleted from the original scope of work of a contract, which alters the original contract amount or completion date. A change order is only appropriate to change a project in a manner consistent with the original bid specifications and does not materially change the intended scope of the project. These contract changes can be caused by:
  - Plan deficiency (errors or omissions)
  - Design criteria changes
  - Specification conflict or ambiguity
  - Unforeseen circumstances
  - Change in requirements of a regulatory agency
  - Cost reduction
  - District requested change
  - Contractor proposed changes (material substitution, etc.)

The District reserves the right to make, at any time during the Work, such changes in quantities and such alterations in the Work as are necessary to complete the project satisfactorily. Such changes in quantities and alterations shall not invalidate the Contract nor release the Surety, and the Contractor agrees to perform the work as altered. Among others, these changes and alterations may include:

- 1) Deleting any part of the work;
- 2) Increasing or decreasing quantities;
- 3) Altering specifications, designs or both;
- 4) Altering the way the work is to be done;
- 5) Adding new work;
- 6) Altering facilities, equipment, materials, services, or sites, provided by the District; ordering the contractor to speed up or delay the work.

The District will issue a written Change Order for any change as provided in the Project, Contract or Standard Specifications. The General Manager shall have the authority to

approve change orders with any single change order amount not to exceed the limit set in the Delegation of Authority. The General Manager shall notify the Commission of change orders when the cumulative total of change orders exceeds 20% of the contract amount. On at least a monthly basis the Finance Director shall provide the Commission with a summary of all change orders approved by the General Manager and/or the Commission on a project by project basis for the preceding month and from the commencement of each project.

3. **Competitive Bids** – (RCW 54.04.070) The District shall publish in the newspaper a notice once or more at least thirteen days before the close of the bid. The notice shall invite sealed proposals for the work or materials to be purchased. Plans and specifications of which shall at the time of the publication will be on file at the District, subject to public inspection. At the close of the bid, the sealed bids will be opened and the contract awarded to the lowest responsive, responsible bidder or to the best bidder submitting his or her own plans or specifications. If the contract is to construct or improve electrical facilities, the contract may be let to the lowest bidder prequalified according to RCW 54.04.085. No contract may be awarded if it exceeds fifteen percent (15%) of the District's estimate. The Commission may reject all bids and re-advertise.
4. **Competitive Negotiations** – (RCW 39.04.270) A Request for Proposal (RFP) shall be prepared, detailing the requirements of the purchase. The RFP shall be submitted to an adequate number of sources to permit reasonable competition. Notice of the RFP must be published in a newspaper of general circulation at least thirteen days before the due date. The RFP shall identify significant evaluation factors, including price and their relative importance. The District shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for awarding the contract. The District will then evaluate the proposals received, and select the qualified bidder whose proposal is most advantageous to the District with price and other factors considered. The Professional Services Evaluation form will be used to evaluate firms.
5. **Construction or Improvement of an Electrical Facility** – (RCW 54.04.080) The construction, moving, maintenance, modification or enlargement of facilities primarily used or to be used for the transmission or distribution of electricity at voltages above 750 volts, including structures directly supporting transmission or distribution conductors, but not including site preparation, housing, or protective fencing associated with but not included in a contract for such construction, moving, modification, maintenance, or enlargement of such facilities.
6. **Consultant** – The term Consultant refers to an independent individual or firm contracting with an agency to perform a service or render an opinion or recommendation according to the consultant's methods and without being subject to the control of the agency except as to the result of the work.
7. **Contract** – (RCW 54.04.070) The District will publish a notice once or more in the Bellingham Herald or any newspaper of general circulation in the district at least thirteen days before the last date upon which bids will be received, inviting sealed proposals for the work or materials. Plans and specifications for the work or materials will be on file at the office of the District and subject to public inspection at the time of publication. Any published notice ordering work to be performed for the District shall be mailed at the time of publication to any established trade association that files a written request with the District to receive such notices. At the close of the bid, the sealed bids will be opened and the contract awarded to the lowest responsive, responsible bidder or to the best bidder submitting his or her own plans or specifications. If the contract is to construct or improve electrical facilities, the contract may be let to the lowest bidder prequalified according to RCW 54.04.085. No contract may be awarded if it exceeds



fifteen percent (15%) of the District's estimate. The Commission may reject all bids and re-advertise.

8. **Contract Negotiations** – (RCW 39.80) The District will publish in advance the requirement for professional services. This announcement will state concisely the general scope and nature of the project or work for which the services are required and contact information. The evaluation process will include receiving statements of qualifications and performance data from the interested parties. The District shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select based upon criteria established by the District. A Professional Services Evaluation form will be completed. Such District procedures and guidelines shall include a plan to insure that minority and women-owned firms are afforded the maximum practicable opportunity to compete. The District shall negotiate a contract with the most qualified firm at a price, that is fair and reasonable.
9. **Contract Proposal Form** (RCW 54.04.085) – The Contract Proposal Form is used in any project involving the construction or improvement of an electrical facility. Prior to providing a Contract Proposal Form, the District will require answers to questions contained in a standard form of questionnaire and financial statement, including a complete statement of the financial ability and experience of such person, firm, or corporation in performing electrical work. Such questionnaire shall be sworn to before a notary public or other person authorized to take acknowledgement of deeds and shall be submitted once a year. If the District is unsatisfied with the answers supplied, the District may refuse to furnish such a person, firm or corporation with a Contract Proposal Form. The Contract Proposal Form is an internal document generated by the District for each individual project.
10. **Direct Contracting (RCW 39.04.152)** – Public Work contracting for projects under \$150,000 are eligible for Direct Contracting. A roster has been established through MRSC, and a contractor on the roster can be awarded a contract directly. This is subject to the procedures described above and the Rule of 6 where if six or more contractors on the roster are Small, Minority, Women, and Veteran-owned small business, one of those contractors must be selected. If there are 5 or less, any contractor may be selected. Under Direct Contracting, the Contractor Rotation Plan is utilized to ensure that all contractors get a chance.
11. **Individual Purchasing Limits** – The Individual Purchasing Limits are designed to be used for the small, usual and customary purchases of the District. This list is maintained by the General Manager of each position's authorized purchasing limit.
12. **Ordinary Maintenance** – Work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, monthly, seasonally, semiannually, but not less frequently than once per year), to service, check, or replace items that are not broken, or work not performed by contract that is not regularly scheduled, but is required to maintain the asset so repair does not become necessary. Typically understood to be maintenance performed by employees.
13. **Prevailing Wage** – (RCW 39.12) The Prevailing Wage shall be the rate of hourly wage, usual benefits, and overtime paid in the locality, as hereinafter defined, to the majority of workers, laborers, or mechanics, in the same trade or occupation. Prevailing wages are required on all Public Work and Contract Maintenance projects. For projects under \$5,000, use a combined form, with no fee required. Statements of Intent to pay prevailing wage and Affidavits may be filed with the Department of Labor and Industries without a contractor's registration number if it is for service type work (ex. Building services, surveying, and truck driving). Starting in 2019,



intents and affidavits may be filed annually on the contract date for the previous 12 months instead of with each work order.

- 14. Professional Services** – Activities such as consulting that have a primarily intellectual final product.
- 15. Public Work** – (RCW 39.04.010) -The term “Public Work” shall include all work, construction, alteration, repair or improvement other than ordinary maintenance.
- 16. Small Works Roster** (RCW 39.04.155) – The Small Works Roster is used to award contracts up to \$350,000 for construction, building, renovation, remodeling, alteration, repair, or improvement of real property that may be used by the District. This is a list of all responsible contractors who have requested to be on the list and where required by law are properly licensed or registered to perform such work in this state. Beginning in July 2024, the District began to use the MRSC Small Works Roster which includes an updated solicitation process instead of managing an independent roster. From the small works roster, telephone, written or electronic quotes shall be obtained to assure a competitive price and awarded to the lowest responsible bidder. Invitations for quotes shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. If the cost of the project is less than \$150,000, Direct Contracting may be used. If the cost is \$150,000 or more, the invitation to bid must go to all on the applicable roster. All bids received are open to public inspection and available by telephone or electronic inquiry. The District shall maintain a list of the projects, vendors contacted, registration number, amount of the contract, a brief description of the project, the date awarded, the vendor awarded the contract, whether the contract was award using Direct Contracting, and whether the vendor was a small, minority, women or veteran-owned small business through the Small Works Roster for a period of at least two years.
- 17. Sole Source** – (RCW 39.04.280) this may only be used to bypass competitive bidding if purchases are clearly and legitimately limited to a single source of supply or purchases involving special facilities or market conditions (ex. auctions). A single source of supply needs to be verified. A resolution needs to be passed. A decision to use a specific model is not a sole source or reason to bypass competitive bidding unless that specific model is only available from one source.
- 18. Unit Price Contract** – (RCW 54.04.070) 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 initial contract term must not exceed three years, with the District having the option of extending or renewing the contract for one additional year. Invitations for bids shall include estimated quantities of the anticipated types of work and how the District will issue or release work assignments, work orders, or task authorizations. Different units may include weight, surface area, volume, length/depth, time, quantity of items, or lump sum per task. When a specific project is identified, individual work orders are authorized based upon either a ‘not-to-exceed’ time and materials basis or a negotiated lump sum amount. If the work includes construction or improvement work on an electrical facility, bidders must be prequalified under RCW 54.04.085. Unit Price contracts to be used on non-budgeted, non-planned work.
- 19. Vendor Lists** – (RCW 39.04.190) for the purchase of materials, equipment, or supplies in lieu of formal sealed bidding for purchases between \$30,000 and \$60,000. At least twice a year, the District shall publish in a newspaper notice of the existence of vendor lists and solicit the

names of vendors for the lists. Telephone, electronic, or written quotes shall be obtained from at least three vendors whenever possible to assure a competitive price. The award shall be made to the lowest responsive, responsible bidder. All quotes received are open to public inspection and available by telephone inquiry.

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