



**PROCUREMENT
MANUAL**

March 2020

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1. OBJECTIVE AND RESPONSIBILITY

1.1 OBJECTIVE

- 1.1.1 The following establishes procedures and authorities enabling Public Utility District No. 1 of Jefferson County (District) to procure materials, tools, equipment, work, and services in a timely and efficient manner. Applicable state laws and District policies and procedures will be an integral part of this document. Dollar values cited in this document are exclusive of Washington State sales tax unless otherwise noted.
- 1.1.2 These procedures shall apply to all purchase, contractual, and service-related documents prepared or processed within the District.
- 1.1.3 Purchases related to travel should be made per the District's travel policy.
- 1.1.4 The District's Credit Card Guidelines should be understood and followed when purchases are made using a District credit card.
- 1.1.5 This Procurement Manual is specific to the District. To the extent it conflicts with state law and regulations, such state laws and regulations shall govern.

1.2 RESPONSIBILITIES

- 1.2.1 The General Manager is authorized to delegate responsibility to the Purchasing Agent, and other employees for the procurement of materials, tools, equipment, work, and services.
- 1.2.2 Only those employees delegated by the General Manager, as defined in this document, are authorized to commit the District for purchases, services, or contractual work.
- 1.2.3 The term of Project Coordinator applies to any PUD employee assigned to take the lead on a project.
- 1.2.4 As it applies in this document the Finance Director is responsible for the control and oversight of the District's petty cash fund. Oversight and responsibility of the fund in each District office shall be delegated to a Custodian named by the District Auditor. Under no circumstance may the petty cash fund be used for employee personal use.

- 1.2.5 The District Auditor is appointed by the Board of Commissioners (BOC).
- 1.2.6 The General Manager or their designee shall provide oversight and direction, as required, when the District has need for material, tools, equipment, work, or services. Specific application or project need will determine which public procurement process is to be used as defined within current governing statutes, policies, and procedures.
- 1.2.7 The General Manager shall provide oversight to all correspondence with vendors and contractors involving specifications, prices, bids, and negotiations when contractual services are needed and the purchase of materials, tools, equipment, and supplies are required.
- 1.2.8 Department Managers and Supervisors are responsible for approving departmental requisitions, and initiation of departmental contracts to include providing a complete and detailed scope, specifications, and other information necessary for its development.
- 1.2.9 Department Managers and Supervisors have the responsibility to ensure all of their current and new employees are familiar with the most current District procurement policies and procedures.
- 1.2.10 All delegated authorities are responsible for effective and professional relationships with suppliers and contractors.
- 1.2.11 All District employees must adhere to the responsibilities, authorities, and controls set forth in this document.

2. ETHICS

2.1 GENERAL ([RCW 42.52](#))

- 2.1.1 District employees are expected to conduct themselves in a professional manner. Each employee must strive to promote positive relationships with suppliers and their representatives; demonstrating patient, courteous, and ethical behavior at all times will enable the District to procure materials, equipment, supplies, and services in an efficient and cost-effective manner.
- 2.1.2 If an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she disclose to the General Manager as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all

parties and ensure the integrity of the purchasing process.

2.1.3 The purpose of this section regarding ethics is to give guidance to all District employees so that they may conduct themselves in a manner that will be compatible with the best interest of the District.

2.1.4 Proper purchasing procedure requires that:

- a. Actions of all District employees be impartial and fair.
- b. The District purchasing decisions are made in accordance with this Procurement Manual.
- c. Public employment is not to be used for personal gain.
- d. The 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, establish or satisfy some obligation for or on behalf of the employee, the employee's family, or the employee's friends.
- e. Purchasing decisions must be made impartially.

2.2 GIFTS

2.2.1 No District employee may receive, accept, take, seek, or solicit, directly or indirectly, anything of economic value such as a gift, gratuity, or favor from a person or business, if it could be reasonably expected that the gift, gratuity, or favor could influence the judgment or decision of the employee, or be considered as part of a reward for action or inaction.

2.2.2 District employees may not accept, take, seek, or solicit, directly or indirectly, anything of economic value as a gift, gratuity, or favor from a person or business with a value over \$50 per year.

2.2.3 District employees may accept meals or beverages from a representative or representatives of a company doing business with the District on infrequent occasions in the ordinary course of meals where attendance of the employee is related to the performance of official duties. The combined value of food and beverages may not exceed \$50 per occasion, consistent with Section 2.2.2.

2.2.4 Meals provided when representing the District at meetings or when attending training or seminars and related receptions where attendance is related to the employee's official duties is exempt from the \$50 limitation.

2.2.5 The following unsolicited items from suppliers are exempt from the \$50 limit per year or occasion:

- a. Flowers, plants, or floral arrangements;
 - b. Advertising or promotional items such as pens, note pads, key chains, etc.;
 - c. Tokens or awards of appreciation such as a plaque, trophy, desk item, etc.; and
 - d. Informational material, publications, or subscriptions related to the Employee's performance of official duties.
- 2.2.6 District employees and their family members may not accept gifts from a single supplier or its representatives, other than those cited above, in excess of an aggregate amount of \$50 per calendar year per family.
- 2.2.7 Conflicts of interest in the procurement process can come in many forms. Therefore, an exhaustive list is not possible. However, some illustrative examples of conflicts in procurement have been listed below.
- a. An employee owns a business and provides goods and services to the District.
 - b. An employee hires a consultant who is a relative.
 - c. An employee sole sources a purchase to a company owned by his/her brother/sister, or to one in which he/she has a financial interest.
 - d. An employee participates in the vendor selection which includes a company owned by his/her brother/sister, or to one in which he/she has a financial interest.
 - e. An employee engages in a decision at the District affecting a contract or payment between the District and a company for which the individual serves as an outside director.

2.3 CONTRACTS AND AGREEMENTS

- 2.3.1 District employees are prohibited from receiving anything of economic value, whether directly or indirectly, under any contract or agreement with a supplier or business outside of their official duties except for the following:
- a. When the contract or agreement is awarded as a result of an open and competitive bidding or selection process or when the bid is the only bid received.
 - b. Prior to awarding the contract or agreement, the appropriate State ethics board must have reviewed the contract or agreement and determined the award would not conflict with the performance of the District employee's regular duties.
 - c. Within 30 days of being awarded, the contract or agreement must be filed with the appropriate State ethics board.

2.3.2 District employees receiving direct or indirect economic value from a contract or agreement are prohibited from influencing the award and from administering the contract or agreement, if it falls within their area of responsibility.

3. APPROVALS AND SIGNATURES

3.1 GENERAL

Public Works: All work, construction, alteration, repairs, or improvements to physical property, other than ordinary maintenance, that are paid for by the District.

"Ordinary maintenance": Work that is performed by agency personnel to provide regular or preventive maintenance.

Purchase of goods, equipment, supplies, or materials: If the purchase is directly connected to construction, alteration, repairs, or improvements, other than ordinary maintenance, it is considered part of a public works project and subject to public works contracting requirements.

Architecture, engineering, landscape architecture, or surveying services: Professional services provided by a consultant that fall under the general statutory definitions of architecture ([RCW 18.08](#)), engineering and land surveying ([RCW 18.43](#)), or landscape architecture ([RCW 18.96](#)).

Personal services: Technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement, not including professional architecture and engineering services. Examples: Meeting facilitation, strategic plan development, economic development study, and rate setting study.

Purchased services: Purchased services are those provided by vendors for repetitive, routine, necessary and continuing functions for the District and are mostly relating to physical activities. The activities include following established or standardized procedures; contributing to the day-to-day business operations; completing assigned and specific tasks; performing routine or perfunctory decision-making; and requiring (possibly) the payment of prevailing wages.

Table 1 - PUD Signing Authority

PUD Signing Authority	
Authorized Position	Authorized Amount
Board Approval	Over \$350,000
General Manager	Up to \$350,000
Manager	Up to \$25,000
Supervisor	Up to \$1,000

3.1 APPROVALS

- 3.1.1 Employees may sign using their initials.
- 3.1.2 No document may be processed; item purchased; task order, change order, or contract executed; or payment made without the appropriate approvals and signatures. The General Manager or District Auditor may, at their discretion, authorize the payment of an invoice or voucher if, due to extenuating circumstances, all approvals and signatures cannot be obtained.
- 3.1.3 Under no circumstances shall pre-authorization of voucher payments be made without approval from the General Manager.
- 3.1.4 The Project Coordinator will review contract documents prior to being signed by the General Manager or their designee.
- 3.1.5 All vouchers must be reviewed by the District Auditor and reviewed by the Commission.

3.2 PETTY CASH

- 3.2.1 For reimbursements up to \$25, an employee shall submit a claim and the Custodian will reimburse the employee through the petty cash fund.
- 3.2.2 For reimbursements exceeding \$25, an employee shall submit a claim and with approval of the District Auditor or General Manager, the Custodian will reimburse the employee through the petty cash fund.

3.3 COMPUTER SOFTWARE LICENSE; SUPPORT; & MAINTENANCE AGREEMENTS

- 3.3.1 Agreement development, implementation, and completion

- a. I.T. Manager
- b. General Manager

3.4 LABOR CONTRACTS

3.4.1 Contract development & negotiations

- a. Staff Negotiation Members
- b. General Manager

3.4.2 Contract approval & completion

- a. General Manager
- b. Commission

3.5 PURCHASE OR SALE OF REAL PROPERTY

3.5.1 Contract development & negotiations

- a. Project Coordinator
- b. General Manager

3.5.2 Contract approval & completion

- a. General Manager
- b. Commission

4. PROCUREMENT MATRIX AND BID LIMITS

Table 2 - Purchase of Goods, Equipment, Materials and Supplies Procurement Matrix and Bid Limits

Purchase of Goods, Equipment, Materials, and Supplies			
Threshold	Procurement Method	Payment Methods	Contract
Emergency Declared	Bids/Quotes not required	District Credit Card, Purchase Order, or Request for Check	May be waived
Less than \$7,500	Small Purchase (or Vendor List Process, Bids) Bids	District Credit Card, Purchase Order, or Request for Check	May be waived
\$7,500 - \$30,000	Vendor List Process (or Bids)	Purchase Order	May be waived
More than \$30,000	Bids (If under \$120,000 can use Vendor List)	Purchase Order	Required

Table 3 - Public Works Procurement Matrix and Bid Limits

Public Works			
Threshold	Procurement Method	Payment Methods	Contract
Emergency Declared	Bids/Quotes Not required	Purchase Order or Request for Check	May be waived
Less than \$20,000	1-3 quotes preferred (or Small Works Roster or Formal Bids)	Dig Slip	Preferred
\$20,000 - \$50,000	Minimum 3 quotes (or Small Works Roster or Formal Bids)	Purchase Order	Required
\$50,000 - \$350,000	Small Works Roster (or Formal Bids)	Purchase Order	Required
More than \$350,000	Formal Bid Process	Purchase Order	Required

Table 4 - Architectural and Engineering (A&E) Procurement Matrix and Bid Limits

Services: Architect or Engineering	
Threshold	Procurement Method
Less than \$100,000	Solicit qualifications from 1 to 3 firms or select the most qualified firm directly from the services roster.
\$100,000 - \$999,999	A minimum of three firms are selected from the small works roster with no additional advertisement.
\$1 Million and over	A structured RFQ (aka SOQ) process and advertisement

Table 5 - Personal Services Procurement Matrix and Bid Limits

Services: Personal Services	
Threshold	Procurement Method
Less than \$20,000	<p>Minimal Competition:</p> <ul style="list-style-type: none"> Place calls to 1-3 qualified firms or individuals describing the desired services. Request prices, schedules, and qualifications. Negotiate a contract with the lowest responsible bidder. An agreement is recommended.

Services: Personal Services	
\$20,000 - \$60,000	<p>Informal Competition:</p> <ul style="list-style-type: none"> • Prepare a written solicitation document including, at a minimum: a description of the required services, the project schedule, a request for the consultant's qualifications and costs/fees, and due date for the responses. • Send the solicitation to 3-5 firms selected from the appropriate consultant roster or other list and ask for proposals. • Evaluate the proposals and negotiate a contract with the lowest responsible bidder.
More than \$60,000	<p>Formal Competitive Bidding:</p> <ul style="list-style-type: none"> • Prepare a formal solicitation document such as a Request for Proposals or a Request for Qualifications. Describe all the project requirements in order for proposers to understand what the agency needs and how the responses will be evaluated. • Publish a legal notice in paper of record (Port Townsend Leader) and major daily newspapers to notify firms of the upcoming solicitation. Develop a mailing list of all firms responding to the solicitation. • Post the solicitation document on the agency website (optional). • Develop score sheets to be used by evaluators. • Send the solicitation document to at least six firms, or notify at least six firms that the document is available at the agency website. If less than six firms are contacted, document the reasons. • Conduct a pre-proposal conference, if required, and provide answers to bidders' questions via addenda. • Require sealed bids and a public bid opening. Date- and time-stamp all proposals received. • Evaluate proposals according to the score sheets, using at least three evaluators. Interview the top finalists, if desired. • Negotiate a contract with the lowest responsible bidder.

Table 6 - Purchased Services Procurement Matrix and Bid Limits

Services: Purchased Services	
Threshold	Procurement Method
Less than \$20,000	<p>Minimal Competition</p> <ul style="list-style-type: none"> • Place calls to 1-3 qualified firms or individuals describing the desired services. Request prices, schedules, and qualifications. • Make the purchase based on the agency's inquiries, experience, and knowledge of the market to obtain the highest-quality product at the lowest price.

Services: Purchased Services	
	<ul style="list-style-type: none"> • An agreement is recommended
\$20,000 to \$60,000	<p>Informal Competition</p> <ul style="list-style-type: none"> • Prepare a written solicitation document including, at a minimum: a description of the required services, the project schedule, a request for the consultant’s qualifications and costs/fees, and due date for the responses. • Send the solicitation to 3-5 firms selected from the appropriate consultant roster or other list and ask for proposals. • Evaluate the proposals and negotiate a contract with the lowest responsible bidder.
More than \$60,000	<p>Formal Competitive Bidding</p> <ul style="list-style-type: none"> • Prepare a formal solicitation document, typically an Invitation to Bid. Describe all the project requirements in order for proposers to understand what the agency needs and how the responses will be evaluated. • Publish legal notice in major daily newspapers to notify firms of the upcoming solicitation. Develop a bidder’s list of all firms responding to the solicitation. • Post the solicitation document on the agency website (optional). • Develop score sheets to be used by evaluators. • Send the solicitation document to at least six firms or notify at least six firms that the document is available at the agency website. If less than six firms are contacted, document the reasons. • Conduct a pre-proposal conference, if required, and provide answers to bidders’ questions via addenda. • Require sealed bids and a public bid opening. Date- and time-stamp all proposals received. • Evaluate proposals according to the score sheets, using at least three evaluators. Interview the top finalists, if desired. • Negotiate a contract with the lowest responsible bidder.

5. PAYMENT PROCEDURES

5.1 PETTY CASH

5.1.1 The Custodian of the petty cash fund shall be authorized to pay cash for items, or reimburse employees for out-of-pocket expenses, that do not exceed \$25.

5.1.2 The District Auditor or General Manager must authorize payments over

\$25.

5.2 DEPARTMENTAL PURCHASES

- 5.2.1 Purchasing Agent shall compare the approved receiving document with the vendor's invoice to ensure accuracy and completeness.
- 5.2.2 Accounts payable must process invoices for payment in a timely manner so as to take advantage of any allowable discounts and before any late payment penalties are imposed by the vendor.
- 5.2.3 The Auditor will present the voucher to the Commission.
- 5.2.4 Any invoice over \$100,000 shall not be sent to vendor/contractor/consultant until the voucher, prepared by Auditor, is approved by the Commission.

5.3 PURCHASE ORDERS

- 5.3.1 Accounts Payable will prepare invoice for payment after the approved packing slip has been reconciled with the purchase order and vendor invoice.
- 5.3.2 The Purchasing Agent must approve all price adjustments if a discrepancy is found between a purchase order and invoice.
- 5.3.3 Price adjustments to the purchase order must be made and a copy of the corrected purchase order sent to Accounts Payable before the invoice is processed for payment. It is acceptable for the corrected purchase order to be handwritten as changes in the system cannot be made once the purchase order has been partially received.
- 5.3.4 The District Auditor will submit the voucher to the Commission for review.

5.4 FORMAL MATERIAL & EQUIPMENT CONTRACTS

- 5.4.1 The Purchasing Agent shall complete vendor and/or District documentation prior to a purchase order being generated.
- 5.4.2 The Purchasing Agent shall prepare the material and equipment procurement contract payments after reconciling receiving documents with vendor invoices and contract documents.

5.4.3 Approved invoices will be routed to Accounts Payable for processing.

5.5 SMALL WORKS PROJECTS (up to \$20,000)

5.5.1 A dig slip must be filled out and signed by the PUD employee on-site, for every project with an estimate of \$20,000 or less. When a dig slip is used a purchase order is not required.

5.5.2 A copy of the dig slip shall be given to the contractor, Accounts Payable and the work order file.

5.5.3 The dig slip must contain all of the following applicable information: the contractor name; work order number (if District labor or inventoried material is charged to the job) or General Ledger (GL) account number; date filled out; location of the work; call and finish time; number of employees; type of equipment or materials used, if applicable; estimated hours to complete the work, if known; general notes; employee's or Project Coordinators signature and the Contractor's signature.

5.5.4 Accounts Payable, the crew lead, or the Project Coordinator will compare the time and materials listed on the dig slip with invoices submitted by the Contractor. Any discrepancies will be resolved before payment can be made.

5.5.5 Accounts Payable or the Project Coordinator will verify that prevailing wage statute requirements have been met prior to forwarding payments to Accounts Payable.

5.5.6 A Dig Slip may be used instead of a contract. It is an alternative District tracking tool to obtaining a Purchase Order, refer to Section 8 Purchase Orders.

5.5.7 To procurement using the small works roster process follow the procedure in Sections 9.19 Limit Public Works Process (LPWP) and 9.20 Small Works Process.

5.6 SMALL WORKS PROJECTS (over \$20,000 to \$350,000)

5.6.1 The Project Coordinator will notify the General Manager of the scope and cost estimate of the project prior to solicitation.

5.6.2 If the estimated cost of the work is from \$250,000 to \$350,000, the

District can choose to solicit bids from less than all the appropriate contractors on the appropriate small works roster, but must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought.

- 5.6.3 Once the bids are received, the Project Coordinator will evaluate the bid and determine the lowest responsive responsible bidder as defined under RCW 39.04.010.
- 5.6.4 The Project Coordinator will send the lowest responsive responsible bidder an award letter and a contract.
- 5.6.5 Once the contract has been awarded to the lowest responsive, responsible bidder, the Project Coordinator will contact the Purchasing Agent to create a Purchase Order.
- 5.6.6 The Project Coordinator will send a Notice to Proceed letter to the Contractor with the purchase order number and work order number.
- 5.6.7 Progress payments will be received and approved by the Project Coordinator prior to forwarding to Accounts Payable for payment.
- 5.6.8 After project completion, the intents and affidavits will be verified by Accounts Payable or the Project Coordinator prior to sending final payment. The Notice of Completion will be done as outlined in Section 9.16 Prevailing Wage.

5.7 PUBLIC WORKS CONTRACTS

- 5.7.1 For prevailing wages procedure refer to Section 9.16 Prevailing Wage.
- 5.7.2 Contractors to invoice the District a minimum of monthly.
- 5.7.3 The Invoice documents must include description of the portion(s) completed; percentage of project completed; the purchase order and or work order number; and any other details as necessary to determine the amount of work completed.
- 5.7.4 Prior to retainage being returned to the contractor, the Project Coordinator must accept the project as complete. Accounts Payable or Project Coordinator will then determine that all appropriate prevailing wage forms have been filed with the State of Washington by all contractors working on the project, and that all other documents are in order.

5.7.5 Notice of Completion requirements and retainage per Sections 9.16 Prevailing Wage and 9.17 Retainage.

5.8 PROFESSIONAL SERVICES

5.8.1 Professional services providers must submit invoices at least once each month after services are performed.

5.8.2 All professional services agreement invoices submitted to the District for payment must be detailed with the following expenses itemized: hours worked and what work was performed; percentage of work completed; dates work performed or expenses incurred; hourly rates; equipment costs; travel expenses; and other agreed upon and allowable expenses. Failure to provide adequate submittal details may cause delays in payments being processed.

5.8.3 All professional services agreements must include payment terms.

5.8.4 Invoices will be sent to the Project Coordinator or Accounts Payable for budget coding and approval.

5.8.5 Payment submittals will be routed to the Project Coordinator for approval prior to payment being made.

5.9 RIGHT TO AUDIT

5.9.1 The District shall have the right to audit all contractor or service provider records pertaining to the work performed or service provided at any time during a project and within one year after the completion of work or service.

5.9.2 At the District's discretion, prior to awarding a project, a contractor or service provider may be removed from the list of responsible bidders or capable providers if exception is taken to the District's auditing requirements.

5.9.3 Should a contractor or service provider refuse to allow the District to audit their records, the District may terminate any current contracts or agreements with the contractor or service provider and/or deny them the opportunity to bid on future District projects and or services.

5.9.4 The right to audit clause shall be included in all District public works

contracts and professional services agreements.

5.10 CONTRACTOR OR VENDOR PRE-PAYMENTS

- 5.10.1 Advance payment cannot be made for materials, work, or services not received by the District. Vendors and contractors must be informed prior to entering into an agreement or contract that advance payments are not allowed, including down payments or deposits.
- 5.10.2 Should a vendor or contractor take exception to this requirement, the District shall enter into an agreement or contract with the responsible bidder submitting the next lowest responsive quote or bid.
- 5.10.3 The vendor or contractor taking exception to this requirement will not be allowed to bid on the same material or project, if a second call for bids is necessary.
- 5.10.4 Once materials have been delivered to a job site, although not yet installed, the contractor may submit an invoice for payment of received materials through the District's regular payment process.
- 5.10.5 Material or supplies that are invoiced at the time of shipment will not be paid until the items are received, inspected, and approved for payment by the appropriate District representatives.
- 5.10.6 Excluded from this requirement are advance payments for agreements or contracts entered into by the District for services that will be delivered or performed within a specified future time frame (software support, equipment maintenance, etc.).

6. RECEIVING

6.1 GENERAL

- 6.1.1 This section establishes a uniform and expeditious method of receiving and accounting for all materials, equipment, and supplies purchased and delivered; and ensuring that said items conform to the expected quality and standards of the District.
- 6.1.2 It is understood that some signatures are only an acknowledgment of the delivery (i.e. a truck ticket), and further verification (i.e. a packing slip) for quality, quantity, and specifications in accordance with the following instructions will be performed by those responsible for the

purchase and/or use of the item.

6.1.3 Receiving documents must have the applicable information as noted in Section 6.4.1.

6.2 FRONT-END OFFICE DELIVERIES (UPS, FED-X, COURIERS, etc.)

6.2.1 Sign with initials or signature to acknowledge the delivery.

6.2.2 Notify the Purchasing Agent or employee named on the shipping label; and leave any receiving documents attached to the carton, package, envelope, etc.

6.2.3 If no department or individual is identified, notify the Purchasing Agent.

6.2.4 If delivered items appear to be correspondence or bid documents; route them to the Purchasing Agent or Project Coordinator.

6.3 ITEMS PURCHASED WITHOUT A PURCHASE ORDER

6.3.1 Sign the receiving document with initials or signature and date received.

6.3.2 Ensure that all the following pertinent information is included:

- a. Vendor's name;
- b. Brief description of the item; and
- c. Freight carrier (UPS, FED-X, Oak Harbor, etc.).

6.3.3 Upon verification of all necessary information, immediately forward the document(s) to the Purchasing Agent for processing.

6.4 ITEMS ORDERED ON PURCHASE ORDERS & INVENTORIED MATERIAL

Purchase orders are intended to be used for all tangible purchases, public works projects, maintenance and repair expenses, and services. A purchase order may be needed even when there is a contract or agreement.

All purchase orders must be created by the Purchasing Agent and every purchase order requires approval in accordance with the approval authority.

The Purchasing Agent will distribute purchase orders to managers and Project Coordinators and retain copies of executed and voided purchases orders.

- 6.4.1 Locate the packing slip, inspect the shipment, and ensure that the receiving documents contain the following pertinent information:
 - a. Freight bill attached;
 - b. Full signature or initials of receiver;
 - c. Vendor name;
 - d. Freight carrier, if applicable;
 - e. Date received;
 - f. Item quantity (circle quantity received) and description; and
 - g. Work order, truck, or stock number if known.
- 6.4.2 Upon verification of all necessary information, immediately forward the document(s) to the Purchasing Agent for processing.
- 6.4.3 All inventory material freight shipments should be processed and put away the same day received when possible.
- 6.4.4 Prior to the monthly physical inventory, the Purchasing Agent shall determine the last day freight is to be processed prior to the inventory count.
- 6.4.5 The following pertinent packing slip information shall be compared with the purchase order:
 - a. Vendor name;
 - b. Freight terms;
 - c. Stock number;
 - d. Quantity ordered;
 - e. Catalog or model number; and
 - f. Item description.
- 6.4.6 Completed receiving document information shall be entered into the computer on a next day basis.
- 6.4.7 All processed packing slips shall be routed to the Purchasing Agent for review and signature before forwarding to Accounts Payable.

6.5 LICENSED VEHICLES & EQUIPMENT

- 6.5.1 All vehicles and licensed equipment are to be delivered to the District's Operations Center. Upon delivery, the vehicle or equipment will be inspected to ensure compliance with specifications as outlined in the contract or purchase order.

- 6.5.2 If irregularities are found, contact the Purchasing Agent for instructions.
- 6.5.3 After passing inspection, an authorized District Representative will sign all receiving documents and forward them to Purchasing Agent. Purchasing Agent will hold documents necessary for licensing until the vehicle or equipment is ready for licensing.
- 6.5.4 If the vehicle or equipment was purchased by contract, the receiving documents will be forwarded to the Purchasing Agent for processing.
- 6.5.5 If purchased using a purchase order, the receiving document information will be recorded in the computer by the Purchasing Agent; then forwarded to the Accounts Payable.
- 6.5.6 After licensing; the title, odometer statement, certificate of origin, and other documents held for licensing will be forwarded to the Records Department to be copied into permanent record then forwarded to the Purchasing Agent for processing.

6.6 CABLE CONTRACT SHIPMENTS

- 6.6.1 Prior to unloading, inspect each shipment for:
 - a. Verification of the number of reels on the truck with the freight bill;
 - b. Damaged reels and/or cable;
 - c. Required packaging and protective covering;
 - d. Manufacturer reel tags properly filled out and attached to each reel;
 - e. Reels shipped on flanges; and
 - f. Correct cable specifications:
 - i. Size
 - ii. Insulation type and thickness
 - iii. Jacket type and thickness
 - iv. Red extruded stripes
 - v. Sequential footage markings
 - vi. Manufacturer name stamped on cable jacket.
- 6.6.2 Notify the Purchasing Agent immediately if anything is found that does not meet the District's specifications, is missing, or is damaged.
- 6.6.3 If the shipment does not meet the District's specifications, items missing and or is damaged do not unload the cable. The Purchasing Agent will determine if the shipment is to be rejected and sent back to

the shipper.

- 6.6.4 If all is in order per the Purchasing Agent, unload the shipment in the receiving area for future processing.
- 6.6.5 Compare the receiving documentation with the purchase order information.
- 6.6.6 Attach the freight bill to the back of the packing slip and forward the information to the Purchasing Agent for entry into the computer.
- 6.6.7 Fill out a District reel tag with the following information:
 - a. Stock number;
 - b. Cable description including insulation thickness;
 - c. Cable length;
 - d. Jacket thickness;
 - e. Beginning and ending sequential footage markings; and
 - f. Date received & tare weight.
- 6.6.8 Attach a completed District reel tag to each reel.

6.7 DISTRIBUTION TRANSFORMERS

- 6.7.1 Prior to unloading, check the freight bill to ensure the District is the consignee and inspect the load for visible damage.
- 6.7.2 If damage is observed, only the Purchasing Agent or General Manager may authorize the unloading of damaged transformers.
- 6.7.3 If a transformer is leaking oil, the entire shipment must be refused. **DO NOT UNLOAD LEAKING TRANSFORMERS!**
- 6.7.4 If no signs of damage are apparent, unload the shipment. Briefly inspect each transformer for exterior damage (broken bushings, dents, scratches, etc.) or leaking oil. Note any damaged or leaking transformers on the freight bill by size and serial number.
- 6.7.5 Prior to signing the freight bill, verify the unit count.
- 6.7.6 Date and sign the freight bill with a full signature or initials, then obtain the carrier driver's signature. Attach the freight bill to the back of the packing slip.

- 6.7.7 Open all pad-mounted transformers and check the serial number against the packing slip.
- 6.7.8 Inspect all pad-mounted units for interior damage and oilleaks.
- 6.7.9 Using a magnet, verify all stainless-steel units have all stainless-steel components.
- 6.7.10 Verify that the information on the packing slip matches the units received.
- 6.7.11 Isolate and flag any units found with damage or discrepancies. List the transformers by size and serial number with a description of the problem on the packing slip.
- 6.7.12 Apply all required District decals; including a company number.
- 6.7.13 Input transformer information into NISC Transformer Inventory.
- 6.7.14 The District's company number and the serial number for each transformer received must be recorded in NISC Transformer Inventory.

6.8 MOTOR FREIGHT DELIVERIES

- 6.8.1 It shall be the responsibility of the employee receiving the shipment to inspect the freight shipment for visible damage before unloading. If damage is found, ask the Purchasing Agent for direction.
- 6.8.2 Never unload or move freight belonging to anyone other than the District. If District freight cannot be unloaded because of other materials blocking access, the carrier driver must either move the obstruction without the aid of District equipment or personnel or leave and deliver the District's freight the next day. The General Manager may make an exception depending upon the freight being delivered to the District and the freight items that must be moved in order to unload District freight.
- 6.8.3 Carefully unload the District's freight, and again inspect for damage.
- 6.8.4 Locate the packing slip and/or freight bill of the parcel or item(s) received.
- 6.8.5 Inspect the shipment and compare the number of packages, cartons, pallets, etc. with the quantities indicated on the freight bill.

- 6.8.6 Inspect for damage (dents, scratches, crushed cartons, broken glass, etc.).
- 6.8.7 Note any damage or shortages on the freight bill and immediately notify the Purchasing Agent.
- 6.8.8 Ensure that both the receiver and carrier driver have signed the freight bill.
- 6.8.9 Check each receipt or freight bill to verify it clearly indicates the following pertinent information:
 - a. "Ship to" address is the same District address;
 - b. Shipper name;
 - c. Carrier name;
 - d. Date received;
 - e. Verify the number of pallets, cartons, boxes, reels, etc. listed on the freight bill;
 - f. Full signature or initials of receiver; and
 - g. Carrier driver signature.
- 6.8.10 The freight bill must be attached to the back of the packing list. If a packing list cannot be located, the freight bill may be used.

6.9 FREIGHT SHORTAGES OR DAMAGES

- 6.9.1 Sufficient details should be noted on the freight bill, and both the driver and receiver must sign the document to acknowledge the shortage or damage prior to the carrier's departure.
- 6.9.2 The receiver should record any shortage or damage found subsequent to the carrier's departure on the freight bill or packing slip. The Purchasing Agent should be notified immediately upon noticing shortages or damages and, after verifying the shortage and/or inspecting the damage, notify the vendor and, if necessary, the freight company to initiate a claim.
- 6.9.3 Keep all damaged goods, containers, wrapping, and packing materials.
- 6.9.4 Immediately forward all documents to the Purchasing Agent for processing.
- 6.9.5 All evidence of damage must be kept until notified by the Purchasing Agent as to the disposition of a damage claim and/or arrangements

made for the return of the item(s).

6.9.6 After the shortage or damage has been resolved, the information will be noted on or attached to the receiving documents and forwarded for to the Accounts Payable.

6.9.7 The Purchasing Agent will notify Accounts Payable if payment is to be withheld and when payment may be made after the claim has been resolved.

6.10 FREIGHT RETURNS

6.10.1 Notify the Purchasing Agent.

6.10.2 The Purchasing Agent shall determine the appropriate return process.

6.10.3 Obtain a return authorization from the Vendor, which must include the following:

- a. Return name and address (no post office boxes);
- b. Preferred freight carrier;
- c. Restocking charges, if applicable;
- d. Packaging instructions; and
- e. Freight terms.

6.10.4 All returned goods must be shipped per Purchasing Agents instructions.

7. MISCELLANEOUS PURCHASES

7.1 MATERIALS AND SUPPLIES PURCHASED ON A DISTRICT ACCOUNT (upto \$500.00)

7.1.1 With the exception of inventoried materials, authorized employees may purchase non-inventoried materials, supplies, and services, on a District account, without a purchase order when a transaction does not exceed \$500.00.

7.1.2 Signed and approved receipts must be submitted immediately to Accounts Payable for every purchase and as a minimum must include:

- a. Vendor name;
- b. Employee signature;
- c. Date of purchase;
- d. Work order number;
- e. Budget code, if applicable; and

f. Details or description of the purchase.

7.2 CREW MEALS

7.2.1 During an Emergency, the General Manager or their designee can approve crew meals to be charged to the credit card when the work extends after-hours through regularly scheduled meal periods.

7.2.2 Food may be purchased and prepared at the PUD for after hour meals during emergencies.

8. PURCHASE ORDERS

8.1 GENERAL

8.1.1 Authorized employees, refer to Table 1 page 11, may purchase non-inventoried materials, goods, tools, equipment, and supplies up to \$500 per transaction without a purchase order.

8.1.2 Purchase orders must be used for inventoried material purchases of any value.

8.1.3 Materials, equipment, and supplies may be purchased in an amount not to exceed \$15,000 per item of like kind per calendar month without obtaining quotations. However, prudent procurement practices favor obtaining informal quotes for purchases less than \$15,000 whenever possible.

8.1.4 Purchase orders shall be used for public works project above \$20,000. A Dig Slip is used on a public works project \$20,000 and below. When a Dig Slip is used a purchase order is not required.

8.1.5 Purchase orders must be used for all service agreements/contract regardless of value.

8.1.6 Purchase orders shall not be cancelled unless the purchase, work, or service is cancelled.

8.1.7 When purchasing Goods, Equipment, Materials and Supplies, quotes from the same vendor can be consolidated onto one purchase order. The authorized employee signature is based on the individual quotes and not the consolidated purchase order amount.

8.2 REQUISITIONS

8.2.1 A requisition form is the electronic record of a request for materials, equipment, supplies, tools or services. To ensure accurate and expedient processing, the most current electronic requisition form must be used.

8.3 BLANKET PURCHASE ORDERS

8.3.1 All blanket purchase orders must be pre-approved and or procured by the Purchasing Agent and only used if advantageous to the District.

8.3.2 Blanket purchase orders may be used when recurring purchases are made with a vendor on a regular basis throughout the month or year. The purchase order number must be given to the vendor prior to the beginning of the month and must be recorded on all documents submitted for payment.

8.3.3 Every transaction with the vendor must be submitted to the Purchasing Agent in the form of a signed receipt containing the appropriate information as outlined in Section 6 Receiving.

8.4 QUOTATIONS

8.4.1 Written quotations must always be obtained prior to vehicle or equipment repairs over \$1,000 being performed by a contractor.

8.4.2 The Project Coordinator or Purchasing Agent shall determine if informal verbal, written, or electronic quotations from at least three vendors is necessary to ensure competitive bidding when purchasing materials, equipment, or supplies if the amount is \$7,500 or below.

8.4.3 Sufficient and equal time (at least thirteen (13) days) shall be given to all bidders in order for them to respond.

8.4.4 The quotation document must clearly indicate the date quotes are due. Quotations received after the date due may not be considered.

8.4.5 The Project Coordinator or Purchasing Agent and the General Manager shall determine if alternate materials, equipment, or services will be considered.

8.4.6 Each individual item will be considered a separate quote. Different items

may be awarded to different bidders based upon the lowest evaluated cost or other pre- established criteria, unless the District and/or bidder indicates the entire quote is to be awarded “all or none.”

8.4.7 The Project Coordinator or Purchasing Agent or General Manager shall determine if the “all or none” option is in the best interest of the District.

8.4.8 A bid tabulation sheet shall be prepared and filed by the Purchasing Agent and made available by telephone or electronic inquiry.

8.5 FREIGHT TERMS

8.5.1 At the time quotations are obtained, the vendor and District must agree upon the freight terms. Under no circumstances is freight to be shipped to the District “Freight Collect”.

8.5.2 Freight terms acceptable to the District:

- a. Freight Prepaid and Allowed: The vendor pays the freight and the District will not be billed separately for freight charges.
- b. Freight Prepaid and Added to the Invoice: The vendor will pay the freight and add the freight charges as a separate line item on the invoice.

8.5.3 The Purchasing Agent or General Manager must pre-authorize any other freight terms.

9. PUBLIC WORKS & MATERIAL CONTRACTS

9.1 WORK & MATERIAL PURCHASES – GENERAL (RCW 54.04.070)

9.1.1 Public works includes all work, construction, alteration, repair or improvement other than ordinary maintenance of District facilities performed by District personnel or private contractors.

9.1.2 Public works may be performed by District employees when the total cost of material for a single project does not exceed \$300,000 and the work performed is prudent utility management.

9.1.3 The limit on the value of material on work being performed by District employees shall not include the value of individual items purchased and used as one unit of a project.

9.1.4 Public works may be let using the small works process, [RCW 39.04.155](#),

when the estimated cost of a project is \$350,000 or less. Public Works over \$350,000 must be formally bid and have Commission approval prior to advertising for bids.

9.1.5 Public works may be procedure using unit price contracting. A unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis, 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 may not exceed three years, with the option to extend or renew the contract for one additional year. The prevailing wages for each work order must be the prevailing wage rates in effect at the beginning of each contract year.

9.1.6 Any item or item of the same kind of material, equipment or supplies with an estimated cost of \$30,000, excluding sales tax may be advertised by permission of the Commission.

9.1.7 A bid surety of 5-percent and performance bond is not necessary for public works up to \$50,000 and for materials, equipment or supplies less than \$30,000.

9.1.8 A contract is required for public works project, when the estimated cost is over \$50,000 (excluding sales tax). However, a contract is preferred on public works projects under \$50,000.

9.1.9 The quantity in a material, equipment, tool, or supplies contract may not be increased after the contract has been let, unless the language in the bid and contract documents allows for future increases in quantity.

9.1.10 Public works and material, equipment or supplies purchases may not be divided into smaller projects or purchases in order to circumvent competitive bidding statute requirements.

9.2 FORMAL CONTRACTS ADVERTISED BY THE COMMISSION ([RCW 54.04.070](#))

9.2.1 Any item or items of like kind of materials, tools, equipment, vehicles, supplies, purchased within a calendar month with an estimated cost over \$30,000 or public works with an estimated cost over \$50,000 shall be by contract. Same kind of items, not exceeding \$12,000 purchases in a calendar month does not need a contract, however, purchasing any excess would require a contract.

9.2.2 All advertisements shall include language that the PUD is a Rural Utilities Service (RUS) borrower.

9.2.3 All contract documents regarding formal bids from vendors or contractors for goods or work must be routed through the Records Department in order to ensure that they are properly recorded and filed.

This includes, but is not limited to:

- a. Original contracts;
- b. Change orders;
- c. Property purchases and negotiations; and
- d. Record retention.

9.2.4 The Project Coordinator is required to retain project documentation, from design to close out. The Project Coordinator will archive closed out projects and send to the Records Department for record retention storage. Examples of project documentation files are listed below. This is not meant to be an exhaustive list.

- a. Requests for bid proposal sent to bidders
- b. Proposals received from bidders
- c. Letter to successful bidder
- d. Letters to unsuccessful bidders
- e. All correspondence including e-mails
- f. Copy of contract
- g. Copy of business license information
- h. Prevailing wage information
- i. Vouchers
- j. Project completion documentation

9.2.5 All contract documents pertaining to material purchases or public works projects must be processed by the Purchasing Agent or Project Coordinator.

9.3 ALTERNATIVE BID PROCEDURE (Material, Equipment, Tools, & Supplies)

([RCW 54.04.082](#) and [RCW 39.04.190](#))

9.3.1 Nothing in this procedure is intended to circumvent state statutes or District policies that require competitive bids.

9.3.2 For materials, goods and supplies exceeding thirty thousand dollars (\$30,000), but less than one hundred and twenty thousand dollars (\$120,000), the Purchasing Agent may use the Vendor list to procure materials, goods and supplies.

9.3.3 At least twice per year, the Purchasing Agent shall have published in a local newspaper of general circulation a notice to solicit the names of

vendors who wish to bid on the District's materials, equipment, tools, and supplies needs. A vendors list will remain on file in the office of the Purchasing Agent.

9.3.4 The Purchasing agency shall secure telephone, email or written quotations from at least three different vendors on the Vendor list.

9.3.5 Immediately after the due date, bid quotations, using the Vendor list procurement process, shall be recorded, open to public inspection, and made available by telephone, e-mail inquiry, and/or on the District's website.

9.3.6 By using the Vendor List the Purchasing Agent, with authorization from the Commission, may waive the requirement for a bid security.

9.4 "ITEMS OF LIKE KIND" – DEFINITION (RCW 54.04.070 and 54.04.080)

9.4.1 "Items of like-kind" are defined as items that are of the same: insulation, material, length, width, size, voltage, phases, current rating, interrupting rating, voltage rating, strength, diameter, weight, capacity, function, physical design, pressure, etc. that are considered interchangeable and perform in the same manner.

9.5 FORMAL BID DOCUMENT PREPARATION

9.5.1 The Project Coordinator will prepare the bid documents.

9.5.2 Bid documents considered as part of the total contract shall include, as a minimum, the applicable sections: Invitation to Bid; Notice and Instructions to Bidders; Specifications; Proposal forms; and a copy of the Contract. All applicable information and instructions pertaining to the items listed below shall be included within these documents along with any other necessary information required by the District to accurately and fairly evaluate the responsive responsible bid proposals submitted by all bidders.

- a. Invitation to bid, with the bid number or project name
- b. Call for bids (including location, date, and time of opening)
- c. Total quantity
- d. Provision for an estimated total cost or a "not to exceed" amount
- e. Description and scope of work
- f. Detailed Specifications and drawings
- g. Availability of documents
- h. Bid proposal instructions
- i. Bid surety, performance bond and payment bond (where

- applicable)
- j. Hold harmless clause
- k. Dispute resolution
- l. Right to audit clause
- m. Statement that the PUD is a Rural Utilities Service (RUS) borrower
- n. Instructions for including contractor identification number
- o. Sales tax information
- p. Prevailing wage & retainage information
- q. Shipping and packaging requirements

9.5.3 A copy of the material sheets generated by the work order system must be sent to the Purchasing Agent immediately after being finalized. Any items that need to be ordered for the project must be on order prior to the final document review.

9.5.4 The Project Coordinator must approve the final draft of the documents by signature and attach a cost estimate prior to sending the documents to the General Manager.

9.5.5 After final review, the General Manager will forward the approved documents to the Project Coordinator.

9.5.6 Prior to a project or purchase being advertised; a complete and final set of documents, including an electronic copy of the project estimate approved by the General Manager, must be on file. The Commission will not be petitioned to advertise the project or purchases made until all documents have been finalized and approved. The signatures of the Project Coordinator and General Manager are required on the final document packet.

9.6 FORMAL INVITATION TO BID

9.6.1 The Project Coordinator will prepare the documentation for the General Manager recommending that the Commission be petitioned for approval to publish an invitation to bid in a newspaper of general circulation and appropriate trade journals.

9.6.2 The invitation to bid must be published a minimum of (13) thirteen calendar days from the date first advertised to the day of the bid opening.

9.6.3 Once the invitation to bid has been published, bid documents will be mailed, e- mailed, or made available on the District's web site to all

suppliers capable of supplying the material or contractors qualified to perform the work.

9.7 FORMAL ADDENDA

9.7.1 Once a project has been advertised, the bid due date and/or project documents can only be altered via addenda. A copy of each project addendum must be sent to all bidders.

9.7.2 Every addendum must be signed and included in the proposals submitted by all bidders. Failure to include signed addenda will render a bid non-responsive.

9.8 FORMAL BID SUBMITTAL

9.8.1 All bidders must respond by using the District's proposal form. Any bid received in any other format may be considered non-responsive.

9.8.2 Each formal bid must be in a sealed envelope with a "sealed bid" sticker identifying the bid number or project name on the outside of the envelope. These envelopes are not to be opened until the bid opening. Faxed or email proposals shall not be allowed for formal bids but are allowed for Requests for Quotations and Requests for Proposals, refer to the Section 10 Professional Services.

9.8.3 For public works project, each sealed bid envelope must include a bid surety in the amount of (5%) five percent of the bid value in the form of a bid bond or cashier's check.

9.8.4 The date and time received by the District shall be recorded on all proposals submitted.

9.8.5 Bids are to be sent to the Purchasing Agent and certified as received.

9.9 FORMAL BID OPENING

9.9.1 Formal bid openings usually occur on Wednesdays at precisely 3:30 p.m. in the District offices.

9.9.2 The Purchasing Agent will bring all proposals received to the bid opening; at which time the General Manager and/or Project Coordinator for the project will begin opening the sealed bids promptly after the bid due time stated in the bid documents.

9.9.3 Each bid shall be read aloud publicly, and all pertinent information recorded on an official District bid tabulation form by the Purchasing Agent or designee. The inclusion of any required addenda and the bid surety must be acknowledged and publicly announced.

9.10 FORMAL BID EVALUATION

9.10.1 No bid shall be let if all bids submitted are (15%) fifteen percent or more than the estimated cost of the material or work. Should this occur, the Commission may direct staff to rebid the project or negotiate with the lowest responsible bidder in an attempt to have the bid price lowered to (15%) fifteen percent or less than the estimated project cost. If negotiation is unsuccessful, the Commission may direct staff to either advertise a second time or revise the project scope and/or specifications prior to advertising a second time.

9.10.2 If the District does not receive any bids for the material or work, the Commission may instruct Staff to advertise a second time; have District employees perform the work; or purchase the material on the open market by soliciting informal quotations.

9.10.3 The Project Coordinator or Purchasing Agent will evaluate all responsive proposals and will evaluate and select the lowest responsive responsible bid that best meets the District's criteria within the bid documents. After evaluation and selection of a successful lowest responsive responsible bidder, the Project Coordinator will prepare an inter-office memorandum recommending the award; this is to be signed by the Project Coordinator and General Manager. The signed memorandum will be sent to the Executive Assistant for inclusion on the agenda of the next regularly scheduled Commission meeting.

9.11 LIMITED NOTICE TO PROCEED

9.11.1 Limited notices to proceed may be used when preliminary work on a project must begin prior to finalizing a contract in order to meet scheduling deadlines. The scope and cost of work to be completed under the limited notice to proceed must be clearly defined and approved by the General Manager and contactor prior to any work being done.

9.11.2 A limited notice to proceed may be issued for a maximum of (30) thirty days and cannot exceed the cost estimate approved by the General Manager.

9.11.3 The cost of a limited notice to proceed must be included in the total contract cost and will be considered as one phase of the project.

9.12 FORMAL BID AWARD

9.12.1 The General Manager or Project Coordinator will present the bid award recommendation to the Commission at their next regularly scheduled public meeting. The Commission shall be the final authority to award the bid.

9.12.2 Upon approval of the Commission, staff will immediately proceed with the implementation of the contract.

9.12.3 If the District receives a written protest from a bidder on a public works project within two days after the bid opening, the District may not execute a contract with any bidder other than the protesting bidder without first providing at least two full business days' written notice of the municipality's intent to execute a contract for the project; provided that the protesting bidder submits notice in writing of its protest no later than:

- a. Two full business days following bid opening, if no bidder requested copies of the bids received for the project under subsection (1) of RCW 39.04.105; or
- b. Two full business days following when the municipality provided copies of the bids to those bidders requesting bids under subsection (1) of RCW 39.04.105. Intermediate Saturdays, Sundays, and legal holidays are not counted.

9.12.4 Emails and an attached copy of the bid tab will be sent to the unsuccessful bidders naming the successful contractor. The bid security submitted with their proposal shall be returned with a letter.

9.12.5 Project Coordinator will prepare an award letter to the successful bidder, which will include two copies of the contract, District templates for both the performance bond and payment bond, if applicable and notice that a certificate of insurance must be received by the District within (10) ten days of the bid award prior to the District signing a formal agreement or contract with the bidder, and before given a notice to proceed. The amount of the performance bond and payment bond, if applicable required, as set forth in the "Notice and Instructions to Bidders", shall be no less than 25% of the contract value for selected multi-year contracts and no more than 100% of the contract value for contracts completed within one year. The General Manager shall

determine the appropriate amount of the performance bond per contract, if less than 100%.

9.12.6 A low bidder who claims error and fails to enter into a contract will forfeit their bid surety to the District as liquidated damages and will be prohibited from bidding on the same contract, if a second or subsequent call for bids is made. ([RCW 39.04.107](#))

9.12.7 Upon receipt of the performance bond, payment bond, if applicable, certificate of insurance, and two copies of the contract signed by the successful bidder, the Project Coordinator will obtain signatures from the District person or persons authorized to sign the contract. The contractor must sign both copies of the contract prior to District Representatives signing.

9.12.8 After all documents have been signed and received; the Project Coordinator will prepare a "Notice to Proceed" letter for the General Manager's signature and return the successful bidder's bid surety with the letter.

9.12.9 Once the contract work has commenced, payments for such work will be made in accordance with the specifications of the contract and per Section 5 Payment Procedures.

9.12.10A W-9 form must be submitted by the Contractor prior to receiving the first payment. Contractors may submit no more than two progress payment requests within a calendar month.

9.12.11 The Project Coordinator, or the Purchasing Agent will send a Substantial Completion letter and or Physical Completion letter, depending on the language in the contract documents to the contractor. The final invoice will be signed as payable by the Project Coordinator prior to submitting to Accounts Payable for payment. At this point, the Project Coordinator will also confirm that all work has been completed; change orders and task orders executed; and invoices processed. The final payment process will follow procedures outlined in Section 5 Payment Procedures.

9.13 FORMAL FIELD CHANGE DIRECTIVE

9.13.1 A verbal field change directive may be used by a Project Coordinator to prevent a delay in a project when an immediate decision must be made concerning a change in the project scope of work that will cause a minor increase or decrease in the project cost.

9.13.2 A written change order proposal request must be submitted for submitted to the Contractor or Vendor within (10) ten business days of authorizing the verbal field change directive.

9.14 FORMAL CHANGE ORDERS

9.14.1 Change orders must be used when the total contract cost is either increased or decreased or when the terms of an existing contract are altered.

9.14.2 Change orders must be approved prior to material being purchased or work performed or unless a verbal field change directive is used.

9.15 FORMAL TASK ORDERS

9.15.1 A task order may be used to define the specific scope and cost of work to be performed on one phase of a project that was outlined within the general scope of the project contract. Task orders may not be used to allow a contractor to perform work outside of the original scope of a contract or to increase the Commission approved “not to exceed” contract dollar amount.

9.15.2 Task orders can also be used for on-call contracts. Each task must have a scope, fee and completion date. The task order(s) are meant to track the not to exceed amount in the overall on-call contract.

9.15.3 The intent to use task orders must be stated in contract documents prior to soliciting bids from contractors.

9.15.4 Task orders defining different phases of a project do not require Commission approval when a contract has a “not to exceed” dollar amount.

9.16 PREVAILING WAGE (RCW 39.12)

9.16.1 The hourly wages to be paid to laborers, workers, or mechanics on all public works and under all public building service maintenance contracts required by the District shall not be less than the prevailing rate of wage for an hour’s work, as determined by the Washington State Department of Labor & Industries, in the same trade or occupation in the locality within the state where such labor is performed.

9.16.2 All contracts between a public agency and a private employer to perform work at the cost of the District are public works contracts and require

the payment of prevailing wage regardless of the project cost. Prevailing wage forms must be submitted for each and every job, regardless of size, scope, or cost to the State Department of Labor and Industries.

9.16.3 Owner-operators must submit the appropriate “intent” and “affidavit” forms to the State of Washington Department of Labor & Industries when working on public works projects; whether or not they employ otherworkers.

9.16.4 A “combined intent/affidavit” prevailing wage form may be used when a public works project estimate is less than \$2,500 (including sales tax). The contractor must fill out and submit the form to Accounts Payable prior to payment being made. A copy will be filed with the payment voucher and the original sent to the Washington State Department of Labor and Industries within (30) thirty days of the project completion.

9.16.5 A contractor must file a “Statement of Intent to Pay Prevailing Wage” form with the Washington State Department of Labor and Industries for each project when the estimated cost exceeds \$2,500 (including sales tax); the form must be approved by the Department of Labor and Industries and affirmed on their web site prior to any payment being made.

9.16.6 Following the District’s acceptance of a completed public works project, Accounts Payable shall ensure that the contractor and every subcontractor has filed an “Affidavit of Wages Paid” with the State of Washington for projects over \$2,500 to \$35,000.

9.16.7 For projects over \$35,000 (including sales tax) Accounts Payable must file a “Notice of Public Works Project Completion” form with the Department of Labor and Industries, Employment Security Department and Department of Revenue at the conclusion of each project.

9.17 RETAINAGE (RCW 60.28.011)

9.17.1 All public works contracts shall have five percent (5%) retained from each contractor payment submittal and held as a surety until the Contractor has met all conditions of the Washington State prevailing wage laws.

9.17.2 Accounts Payable must approve the release of all retained funds.

9.17.3 Retained funds for projects up to \$35,000 will be held until final acceptance of the project by the District; verification of the intent and

affidavit forms being filed; and after the (30) day period for any liens to be filed, as required bylaw.

9.18 CONTRACTOR PREQUALIFICATION - ELECTRIC SYSTEM PUBLIC WORKS (RCW 54.04.080 and RCW 54.04.085)

- 9.18.1 The District must pre-qualify those persons, firms, or corporations desiring to bid upon contract work for electrical facility construction, improvement, or related work prior to any bids being awarded.
- 9.18.2 Construction or improvement of an electrical facility is defined as 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) seven hundred fifty volts, including all supporting structures of conductor but not including site preparation, conduit, vault, buildings, or protectivefencing.
- 9.18.3 Subcontractors may perform work pertaining to site preparation trenching, digging vault pits, building fences, constructing buildings, etc. in conjunction with an electrical system project. Conduit, concrete vaults, etc. may be installed by a subcontractor.
- 9.18.4 The Project Coordinator shall annually advertise in a local newspaper of general circulation and specialty publications, as deemed appropriate, of the District's need to update its pre-qualified contractor list; as well as notify all current pre-qualified contractors of their need to submit either an application or an affidavit in order to remain on the District's pre-qualified contractor list.
- 9.18.5 After receipt of applications and required information, the Project Coordinator will inform the appropriate Manager(s) of the review results.
- 9.18.6 Once a contractor has met the District's requirements for prequalification as determined by staff, a recommendation will be made in a memorandum to the General Manager or Projects Coordinator requesting prequalification approval by the Commission. The General Manager will present the prequalification request to the Commission at the next scheduled public meeting.

9.19 Limited Public Works Process (LPWP) (RCW 39.04.155)

- 9.19.1 In [RCW 39.04.155](#), for small works roster procuring, the District may award a contract for work, construction, alteration, report, or

improvement projects estimated to cost less than \$50,000 using the limited public works process (LPWP).

- 9.19.2 For LPWPs, the agency must solicit electronic or written quotations from at least three contractors on the appropriate small works roster, but it does not have to notify the remaining contractors.
- 9.19.3 Bidders shall be given adequate time to respond to the request; generally, a minimum of (13) thirteen calendar days but not less than (2) two calendar days, depending on the scope and urgency of the project.
- 9.19.4 The contract must be awarded to the lowest responsive responsible bidder as defined under [RCW 39.04.010](#).
- 9.19.5 For LPWPs, an agency may waive the payment and performance bond requirements of RCW 39.08 and the retainage requirements of [RCW 60.28.011\(1\)\(a\)](#), thereby assuming the liability for the contractor's nonpayment of laborers, mechanics, subcontractors, material persons, suppliers, and taxes imposed under [RCW 82](#) that may be due from the contractor for the LPWP, however, the agency has the right of recovery against the contractor for any payments made on the contractor's behalf. The agency has the right of recovery against the contractor for any payments made on the contractor's behalf.
- 9.19.6 Bid guarantees are optional.
- 9.19.7 Payment of prevailing wage is required.
- 9.19.8 As with normal roster contracts, sealed bids are not required, the District should document which contractors they solicited bids from and keep records of all bids received, not just those of the lowest bidders.
- 9.19.9 The District is to attempt to distribute opportunities for LPWPs equitably among contractors willing to perform in the geographic area of the work. After an award is made, the quotations must be open to public inspection and available by electronic request.
- 9.19.10 For project with an estimate under \$20,000, the District will attempt to distribute opportunities among contracts willing to perform in the geographic area of the work.
- 9.19.11 The District is to maintain a list of the contractors contacted and the contracts awarded during the previous 24 months under the LPWP 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.

9.20 SMALL WORKS PROCESS (RCW 39.04.155)

- 9.20.1 Once a year the Project Coordinator shall advertise in a newspaper of general circulation soliciting contractors to be included on the District's small works roster. In addition, responsible contractors shall be added to an appropriate roster at any time they submit a written request and necessary records.
- 9.20.2 The contract must be awarded to the lowest responsive responsible bidder as defined under [RCW 39.04.010](#).
- 9.20.3 The District must solicit electronic or written quotations from at least five (5) contractors on the appropriate small works roster, 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. However, if the estimated cost of the work is from \$250,000 to \$350,000, if the District chooses to solicit bids from less than all the appropriate contractors on the appropriate small works roster (i.e. only solicits 5 contractors) must also notify the remaining contractors on the appropriate small works roster that quotations on the work are being sought.
- 9.20.4 If no bids are received from contractors on the small works roster, informal quotations may be solicited from at least three or more contractors, if possible, lawfully engaged in the required work. Contracts will be awarded and administered following the requirements for public works projects as mandated by law.
- 9.20.5 Bidders shall be given adequate time to respond to the request; generally, a minimum of (13) thirteen calendar days but not less than (2) two calendar days, depending on the scope and urgency of the project.
- 9.20.6 For small works projects under \$150,000, the District, at the Contractor's selection, may waive both the performance bond and payment bond in lieu of 10-percent retainage. For small works projects over \$150,000, the Contractor will be required to provide both a performance and payment bond at 100-percent of the contract amount.
- 9.20.7 The District will hold 5-percent retainage on small works project.
- 9.20.8 Bid guarantees are optional.

9.20.9 Janitorial contractors may provide a “Janitorial Bond” in lieu of a performance bond for multi-year contracts. The limits of the bond shall be determined by the District based upon the annual value of the Janitorial contract.

9.20.10 When using the small works process to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property, the District must make available a list of all the contracts at least once a year. The list must contain the contract number, name of the contractor or vendor, dollar amount of the contract, a brief description of the work performed, or material purchased under the contract, and the date the contract was awarded. The list must also state the location where the bid quotations for these contracts are available for public inspection ([RCW 39.04.200](#)).

9.21 TRENCH SHARING AGREEMENTS

9.21.1 Some underground cable installations or replacements offer the cost saving opportunity to share the cost of trenching with other utilities within the right-of-way. A trench sharing agreement must be signed prior to the start of the project.

9.21.2 The agreement should include the following as a minimum:

- a. Total length and dimensions of shared trench
- b. A map and legal descriptions of the easement
- c. Size and depth of conduit being installed
- d. Location of any surface facilities being installed within easements and who is obtaining the easement.
- e. Type of wire or cable to be installed in each conduit
- f. Distance of separation between each utilities’ facilities
- g. Name of the utility providing the trench
- h. Percentage of cost shared by each utility for providing the trench
- i. Backfill and compaction requirements
- j. Liabilities of each utility
- k. Drawings of the trench and any pertinent facilities in the right-of-way

9.22 WASHINGTON STATE CONTRACTS

9.22.1 Annually, the District may enter into an inter-local agreement with the Washington State Department of Procurement; enabling the District to procure materials, supplies, equipment, and vehicles using State contract pricing.

9.22.2 The Purchasing Agent will review pertinent Washington State purchasing contracts made available to political subdivisions and compare the pricing with other vendors to determine which contracts are advantageous to the District.

9.22.3 The District is not obligated to utilize Washington State contracts.

9.22.4 When utilizing Washington State contracts, the competitive bidding process used by the State of Washington procurement departments will satisfy the District's obligation to comply with the mandatory competitive bidding statutes.

9.23 ITEMS PURCHASED AT PUBLIC AUCTION (RCW 39.30.045)

9.23.1 The District may purchase materials, supplies, vehicles, equipment, or tools at auctions conducted by the government or any agency of the United States, any agency of the State of Washington, any municipality or other government agency or any private party without being subject to public bidding requirements, if the items can be obtained at a competitive price.

9.23.2 The Commission shall either pre-authorize the purchase or pass a resolution approving the purchase at the next regular Commission meeting.

9.23.3 Prior to attending the auction, the Project Coordinator, General Manager, Commission, or others must establish a fair market value of the item(s) to be purchased at the auction based upon retail value, condition, cost to transport the item(s) to the District, or any other factors that may have a bearing on the value of the item(s).

9.23.4 Prior to purchasing an item(s) at a public auction the District must determine the method of payment:

- a. Establish an account with the agency conducting the auction;
- b. Secure the purchase with a District purchase order, if allowed; and
- c. The Purchasing Agent, as the District Representative bidding on the item(s), shall use their District credit card as payment for the purchase, up to the limit of the card.

9.23.5 A purchase order must be generated immediately after the purchase of any item at a public auction and the appropriate signatures obtained.

9.24 EMERGENCY PURCHASES OR PUBLIC WORKS (RCW 54.04.070 and 39.04.280)

9.24.1 An emergency occurs when unforeseen circumstances beyond the control of the District that either:

- a. Presents a real, immediate threat to the proper performance of essential functions; or
- b. will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. In the event of an emergency, the General Manager may authorize the purchase of materials and/or order work be performed by others to assist regularly employed personnel; in any amount necessary; without contract; and after taking precautions to secure the lowest price available under the circumstances.

9.24.2 Faxed or electronic quotes should be obtained from at least three suppliers or contractors, when possible, from the District's list of vendors or contractors qualified to supply necessary materials or perform the work, prior to the work being performed. A copy of these quotes must be given to the Project Coordinator for future payment processing and documentation of these services. Selection may be based upon bid price or on the ability to respond to the District's needs in the least amount of time.

9.24.3 A purchase order or contract must be signed by the General Manager prior to or immediately after material being ordered or contractors commencing work.

9.24.4 The purchase order must contain, as a minimum, the following applicable information: Vendor/Contractor name; total quantity; price; delivery dates of material; hourly rates for labor and equipment; brief scope of the work; beginning and ending dates contractor is needed; and an "estimated not to exceed" dollar amount. A copy of the approved purchase order must be sent to the Project Coordinator.

9.24.5 The Commission shall declare, by resolution, a state of emergency at the next scheduled public meeting approving the purchase of material and/or work.

9.25 SOLE SOURCE SUPPLIER (RCW 39.04.280)

9.25.1 When the supplier of a material item can be legitimately and clearly identified as the sole source of supply for the item, the Commission may be petitioned by staff to declare the supplier as a "sole source supplier" by resolution.

- 9.25.2 Justification for a sole source supplier may also include:
- a. Cost of maintaining an adequate supply of spare parts for multiple brands;
 - b. Superior quality and reliability of one manufacturer over others;
 - c. Quality of support offered by one manufacturer over others; or
 - d. Operational efficiencies gained by limiting the purchase of an item to one manufacturer.

9.25.3 Documentation and justification must be presented to the Commission prior to passing the resolution. The item(s) must be identified by manufacturer, model number or type, and catalog number, if applicable followed by a brief description clearly identifying the item.

9.25.4 If the supplier produces other products, the sole source resolution shall only pertain to the named items and not the supplier's full line of products.

9.25.5 After a supplier has been declared sole source, staff must continue to actively search for additional suppliers offering similar products of comparable quality and functionality so as to comply with state mandated competitive purchasing practices.

9.26 INTER-LOCAL AGREEMENTS (RCW 39.34)

9.26.1 The District may, with Commission approval, enter into an Inter-local agreement with one or more public agencies to perform any governmental service, activity, or undertaking that each public agency entering into the agreement is authorized by law to perform.

9.26.2 When multiple agencies participate in an Inter-local agreement, one of the participating agencies must be designated as the lead agency.

9.26.3 An Inter-local agreement does not relieve the District from the statute-mandated competitive bidding requirements when purchasing materials, equipment, or supplies. The District may use the contract pricing under the Inter-local agreement as one of the bids but must also obtain enough bids to ensure compliance with state competitive bidding laws.

9.26.4 Agencies participating in an Inter-local agreement are bound by all restrictions and requirements imposed upon each agency by Washington State statutes and other governmental regulations.

9.26.5 When entering into an Inter-local agreement with other government agencies, the stricter statutory requirements of the participating agencies will apply.

10. PROFESSIONAL SERVICES

10.1 PROFESSIONAL SERVICES - GENERAL

10.1.1 The District may require professional services not covered within the scope of public works statutes. When such need arises, the General Manager shall provide oversight during the selection process. The selection procedures for Engineering and Architectural services are not the same as purchased and personnel professional services.

10.1.2 It shall be the responsibility of the department requiring a purchased and personnel professional service to prepare requests for qualifications or proposals containing information outlining the project or service needed; qualifications required of the service provider; scope of service; length of the agreement; selection criteria; and any other information necessary for a provider to determine their ability to perform the service.

10.1.3 The draft documents shall be sent to the General Manager for review and, if approved, sent to the Project Coordinator for processing.

10.1.4 Purchased and personnel professional service selection may be on the basis of any of the following: cost; qualifications; ability to provide the service within a specified time frame; experience; knowledge of unique utility industry standards or practices; past performance; or knowledge and experience in dealing with past, current, or future District business needs.

10.1.5 Engineering and architectural service selection requires reviewing statements of qualifications from firms lawfully engaged in providing the service needed by the District. Following selection of a firm, cost of service will be negotiated.

10.1.6 All service agreements must have a “not to exceed” amount stated for a specified time frame; i.e. duration of the agreement; or yearly, quarterly, monthly, weekly, daily, etc.; on-call contracts or multi phased professional service agreements may use task orders to define the scope and cost of various phases of the service with or without a not to

exceed amount for the duration of the contract.

10.1.7 Copies of professional services agreements or contract documents must be given to the Purchasing Agent in order for vouchers to be generated.

10.1.8 A bid surety; performance bond; and retainage are not required for professional services.

10.1.9 Insurance may be required for all types of professional service agreements.

10.1.10 The District may use the provider's service agreement or contract. The General Manager shall determine if it is in the best interest of the District to use the provider's agreement or contract. The District's legal counsel may need to review the documents prior to being signed by District.

10.1.11 Legal counsel, when needed, should be given one to two weeks to review contract documents depending upon their complexity.

10.1.12 Professional service agreements must be finalized and signed prior to the service being rendered, except when a limited notice to proceed is authorized.

10.1.13 Limited notices to proceed may be used when negotiating an agreement for miscellaneous professional services, engineering and architectural services, and data processing and telecommunications services.

10.1.14 All documents pertaining to a professional service must be routed through the Records Department in order to ensure they are properly recorded and filed. The Project Coordinator is responsible for creating and filing documents including, but is not limited to:

- a. Requests for statements of qualifications or proposals;
- b. Statements of qualifications or proposals received;
- c. Letters;
- d. E-mails;
- e. Other correspondence;
- f. Copy of contract or agreement;
- g. Copy of business license information;
- h. Vouchers for payments; and
- i. Project completion documentation.

10.1.15 Payments for professional services must follow procedures outlined in Section 5 Payment Procedures.

10.1.16 Excluded from these requirements are agreements pertaining to: computer software support and equipment maintenance; tool and equipment maintenance and support; legal counsel; Human Resources advisory services; financial and rates analysts or consultants; consultants that have successfully provided a service for other Public Utility Districts or Utilities who specializes in a specific need of the utility industry; or a service provider with a history of successfully providing a service for the District.

10.2 PURCHASED AND PERSONNEL PROFESSIONAL SERVICES (up to \$60,000)

10.2.1 While the District may award purchased or personnel professional services agreements without soliciting informal quotations when the estimated cost of service is \$20,000 or less; three or more informal quotations are preferred.

10.2.2 Three or more informal statement of qualifications or quotations must be obtained, if possible, from service providers capable of performing the service when the estimated agreement cost is between \$20,000 and \$60,000.

10.2.3 The Project Coordinator will request a purchase order from the Purchasing Agent. The Project Coordinator will request and negotiate the scope and fee with the selected service provider. Two copies of an agreement will be sent to the provider for signature and returned to the District. A copy of the purchase order or one copy of the signed agreement will be sent to the provider and will serve as their notice to proceed.

10.2.4 A purchase order must be used for service agreements.

10.2.5 Adequate time to respond to the request should be given to qualified service providers; generally, a minimum of (13) thirteen calendar days but not less than (2) two calendar days, depending upon the scope of the project.

10.2.6 The statement of qualifications or proposal will be reviewed by the Project Coordinator and selection team. The documents and recommendation will be forwarded to the General Manager.

10.2.7 The Project Coordinator will administer the agreement to completion. Invoices will be signed as approved by the Project Coordinator prior to

payments being made.

10.3 PURCHASED AND PERSONAL PROFESSIONAL SERVICES (over \$60,000)

10.3.1 The Project Coordinator will submit a written outline of the scope of the project to the General Manager including an estimated cost of the project.

10.3.2 The Project Coordinator will develop the request for qualifications or proposal draft document. The documents must identify the scope of the project; significant evaluation factors; and their relative importance. An estimated cost of the service must be provided to the General Manager.

10.3.3 The Project Coordinator will develop reasonable procedures for the technical evaluation of the qualified sources and selection methods for awarding the contract.

10.3.4 The solicitation will include that the PUD is a RUS borrower.

10.3.5 The final, completed project documents will be forwarded to the General Manager and others as deemed appropriate for review.

10.3.6 After review, the Project Coordinator will publish the "Notice of Request for Qualifications or Proposals" in a local newspaper of general circulation and other appropriate journals a minimum of (13) thirteen calendar days from the date advertised to the date proposals are due.

10.3.7 The documents shall be sent to an adequate number of qualified purchased and personnel services as determined by the District, in its discretion, to permit reasonable competition consistent with the requirements of procurement.

10.3.8 The Project Coordinator, General Manager and others as necessary will review all proposals and make a selection of the qualified firm whose proposal is most advantageous to the District with price and other factors considered.

10.3.9 Staff will either negotiate with the firm most qualified to provide the service in an attempt to reach an agreement and fair compensation or select the firm with the proposal that would provide the most benefit to the District.

10.3.10 If over \$350,000, the Project Coordinator through the General manager

will gain approval from the Commission to allow the General Manager to enter into an agreement with the selected purchased or personal service company.

10.3.11 The Projector Coordinator will request a purchase order from the Purchasing Agent.

10.3.12 Upon approval, the District will either negotiate an agreement and fair compensation with the successful provider; or sign an agreement with the provider submitting the most advantageous proposal to the District, if the terms of the agreement and compensation have already been agreed upon.

10.3.13 Two copies of the agreement will be sent to the provider for signature and returned to the District. A copy of the agreement signed by both the provider and the District will be sent to the provider and will serve as their notice to proceed. A copy of the agreement must be forwarded to the Project Coordinator in order to set up a file for vouchering payments.

10.3.14 Once a provider is chosen, the Project Coordinator will issue a notice of award of the project to the successful firm and will notify any other firms who submitted statements of qualifications or proposals of the award.

10.3.15 The Project Coordinator will prepare final agreement documents for signature.

10.3.16 The Project Coordinator requiring the service will administer the agreement to completion.

10.4 ENGINEERING & ARCHITECTURAL SERVICES (up to \$100,000) (RCW 39.80)

10.4.1 Advance publication requesting statements of qualifications shall be made annually, encouraging firms lawfully engaging in the practice of their profession to submit statements of their qualifications and performance.

10.4.2 The firm best able to provide the service needed by the District will be selected based upon; past performance, experience, and the ability to perform the work within the time frame required by the District.

10.4.3 Once the firm has been selected; a cost of service will be negotiated and if acceptable to the District, a purchase order or agreement will be issued.

- 10.4.4 The District may decide not to enter into an agreement with the firm if the amount of the price is not acceptable to the District; in which case the next firm will be contacted and so forth until a firm has been selected.
- 10.4.5 Once a firm has been selected, the Project Coordinator will request a purchase order from the Purchasing Agent.
- 10.5 ENGINEERING & ARCHITECTURAL SERVICES (over \$100,000 - \$1,000,000) (RCW 39.80)
- 10.5.1 The Project Coordinator will request permission from the General Manager to solicit statements of qualifications from professional firms lawfully engaged in the practice of the required service. The District shall request statements of qualifications from providers capable of providing the service. Providers will be given a minimum of (13) thirteen calendar days to return statements of qualifications to the Project Coordinator.
- 10.5.2 All statements of qualifications submitted as well as those on file for the current calendar year will be reviewed by the Project Coordinator, General Manager, and others as appropriate.
- 10.5.3 The solicitations shall include that the PUD is a RUS borrower.
- 10.5.4 Firms will be selected based upon their qualifications and apparent ability to perform the service. The top three or four firms will be contacted, and interviews scheduled to discuss the scope of the project; possible variations; concepts; methods of approach, etc.
- 10.5.5 The Project Coordinator will develop the ranking criteria that will be used to select the professional firm.
- 10.5.6 Fees may not be discussed during the interview process. Only after a firm has been selected for a project can negotiations for an appropriate fee begin.
- 10.5.7 At the conclusion of the interviews, the Project Coordinator, General Manager, and others will select the top firm based upon the ranking criteria.
- 10.5.8 The firm deemed the most highly qualified for the project will be contacted and the District has the option to interview the solicited firms.
- 10.5.9 The Project Coordinator and General Manager shall negotiate with the

most qualified firm for services at a cost that the District determines to be fair and reasonable and/or within budget constraints.

10.5.10 If the District is unable to successfully negotiate an agreement with the most qualified firm, negotiations will be formally terminated with that firm and the next firm in the ranking shall be contacted, and negotiations shall be conducted in an attempt to secure an agreement that is acceptable to the District. The process will continue until a firm has been selected.

10.5.11 If over \$350,000 and after a scope and fee has been successfully negotiated, the Project Coordinator and General Manager will recommend the selection to the Commission for approval to sign an agreement with the selected firm. The Commission may, at their discretion; approve the selection and direct the General Manager to sign the agreement; or they may reject the recommendation and direct staff to solicit additional statements of qualifications.

10.5.12 Upon completion of the project the Project Coordinator shall notify the General Manager by inter-office memorandum of the completion and recommend that the Commission accept the contract as complete.

10.6 ENGINEERING & ARCHITECTURAL SERVICES (over \$1,000,000) (RCW 39.80)

10.6.1 The procedures for selecting firms to provide Engineering and Architectural services with an estimated cost over \$1,000,000 shall be as outlined in the previous Section 10.5, except for the following:

- a. The Commission shall be petitioned for permission to advertise for statements of qualifications for the service required in a newspaper of general circulation and any established trade association, as appropriate, for a minimum of (13) thirteen calendar days prior to the date the statement of qualifications are due.

10.7 NEGOTIATION-BASED PROCUREMENT FOR ELECTRONIC DATA PROCESSING AND TELECOMMUNICATIONS SYSTEMS (RCW 39.04.270)

10.7.1 The Project Coordinator will notify the General Manager of the outline and scope of work, including an estimated cost of the project.

10.7.2 The Project Coordinator will develop the request for proposal (RFP) draft document. The document is to identify significant evaluation factors; their relative importance; and estimated cost.

- 10.7.3 The Project Coordinator will develop reasonable procedures for the technical evaluation of the qualified sources; selection methods and criteria for awarding the contract.
- 10.7.4 The pre-qualification performed by the Washington State Department of Information Services or another public entity will suffice for District qualification.
- 10.7.5 After review, the Project Coordinator will recommend to the General Manager that the Commission be petitioned for permission to publish the "Notice of Request for Proposals" in a local newspaper of general circulation and other appropriate journals for a minimum of (13) thirteen calendar days from the date advertised to the date proposals are due.
- 10.7.6 The RFP shall be sent to an adequate number of qualified sources as determined by the District, in its discretion, to permit reasonable competition consistent with the requirements of procurement.
- 10.7.7 The Project Coordinator, and others as necessary will review all proposals and make a selection of the qualified firm whose proposal is most advantageous to the District with price and other factors considered. A price will be negotiated that is considered acceptable to the District and within budget constraints.
- 10.7.8 If over \$100,000, the Commission will be petitioned to authorize the General Manager to sign a contract with the successful firm offering the system best suited for the needs of the District.
- 10.7.9 The District may reject any and all proposals for good cause and request new proposals,
- 10.7.10 The Project Coordinator or IT Manager will issue a notice of award to the selected firm and will notify the other firms who were not selected.
- 10.7.11 The Project Coordinator will administer the contract following applicable procedures as outlined in Section 9 Public Works & Material Contracts

10.8 LIMITED NOTICE TO PROCEED

- 10.8.1 Limited notices to proceed may be used when preliminary work on a project must begin prior to finalizing a contract in order to meet scheduling deadlines. The scope and cost of work to be completed under the limited notice to proceed must be clearly defined and approved by

the General Manager and contactor prior to any service performed.

10.8.2 A limited notice to proceed may be issued for a maximum of (30) thirty days and cannot exceed the cost estimate approved by the General Manager.

10.8.3 The cost of a limited notice to proceed must be included in the total contract cost and will be considered as one phase of the project.

10.9 CHANGE ORDERS

10.9.1 Change orders must be used when the total contract or agreement cost is either increased or decreased or when the terms of a contract are altered.

10.9.2 Change orders must be approved prior to the service being performed.

10.10 TASK ORDERS

10.10.1A task order may be used to define the specific scope and cost of service to be performed on one phase of a project that was outlined within the general scope of the project contract. Task orders may not be used to allow a firm to perform work outside of the original scope of a contract or to increase the Commission approved "not to exceed" contract dollar amount.

10.10.2 Task orders can also be used when administering an On-call contract. The Project Coordinator will negotiate the scope and fee and schedule for each task.

10.10.3 Task orders may only be used when a project contract is let using the formal Commission approval process.

10.10.4 The intent to use task orders must be stated in contract documents prior to soliciting bids from contractors.

10.10.5 Task orders defining different phases of a project do not require Commission approval when a contract has a "not to exceed" dollar amount.

10.10.6A Change order is not necessary when a task order is used.

11. SURPLUS PROPERTY

11.1 GENERAL

11.1.1 District property must be properly purchased, utilized, maintained, and when no longer useful, disposed of. Property that is no longer useful, fit for service, or is available in excess quantities may be deemed “surplus.” The District’s General Manager will ensure that when surplus property is so declared, the procedures established for accountability, control, and disposal are followed. “Property” includes real property, materials, supplies, equipment, vehicles, and any other items owned by the District. Certain property may be declared to have no value and be disposed of on a regular basis in compliance with established procedures. No one shall remove or dispose of any District property without following the procedures described below.

11.1.2 All procedures for disposal of surplus property will be in accordance with state law ([WAC 236-48-190](#); [RCW 39.33.020](#); [RCW 43.19](#)). In the event of any conflict between these procedures and state law, state law shall govern.

11.1.3 The District is committed to the recycling or reuse of all materials, supplies, equipment, etc. that can be accomplished through reasonable methods.

11.2 RESPONSIBILITIES

11.2.1 District property and related information will be reviewed as necessary as well as annually to determine the type and amount of surplus property.

11.2.2 Each Department shall be responsible for filling out and signing surplus property forms when surplus items are identified throughout the year. Each form must include the following: quantity; description; condition; serial number; District asset number, if applicable; recommendation of disposal (i.e. sale, recycle, exchange, etc.) and any other pertinent information. The form will be submitted to the Purchasing Agent for review and processing. The timing and method of disposal shall be determined on a case- by-case basis.

11.2.3 The Purchasing Agent will be responsible to initiate the annual polling of District departments for surplus items; compiling a list; and circulating it among all departments who may be able to utilize some of the items. Items not of use by the District will be placed on a single surplus list.

11.2.4 The final surplus list will be forwarded to the General Manager for review. At a regularly scheduled public meeting the Purchasing Agent or Project Coordinator will present the list attached to a resolution

recommending the Commission approve the disposal of the items.

11.2.5 Disposal may be by sale, auction, recycling, donation, exchange, transfer, or landfill. The Purchasing Agent or Project Coordinator will coordinate the disposal.

11.2.6 All asset tags and District identification must be removed prior to disposal.

11.2.7 Once an item has been declared surplus by the Commission, it must be taken out of service until disposed.

11.3 VEHICLES & EQUIPMENT

11.3.1 Vehicles and equipment may be disposed for any one of the following reasons:

- a. Cost of maintenance and has become excessive;
- b. Major repair would be cost prohibitive; or
- c. The vehicle or equipment is no longer of use to the District.

11.3.2 Surplus cars, equipment, and trucks (except aerial manlifts, digger-derricks, and knuckle boom or crane trucks) that can be used by the public shall be placed on a surplus list and, after Commission approval, disposed of by sealed bid or public auction.

11.3.3 Aerial manlifts, digger derricks, knuckle booms, and crane trucks must be either dismantled & sold for scrap or used as a trade-in when purchasing new trucks of similar use. The Commission must declare a truck surplus by resolution prior to its being dismantled or removed from District property.

11.4 NO-VALUE PROPERTY

11.4.1 Certain property may be determined to have no value to the District in terms of sale, auction, exchange, or transfer. Typical property in this category includes but is not limited to:

- a. Recyclable paper, cardboard, scrap metals, plastic products, computers and equipment; etc.;
- b. Broken material items, equipment, or tools that cannot be repaired;
- c. Wood pole pieces, crossarms, pallets, etc.; and or
- d. Damaged or non-reusable items

11.4.2 The Purchasing Agent will regularly review and direct disposal of no-

value property. The General Manager has final authority for disposal practices.

11.4.3 In order to avoid landfill or handling cost, the Purchasing Agent may make arrangements with the public, employees, or others to remove no-value items from District property.

11.4.4 All disposal practices will ensure compliance with environmental regulations, State laws and local ordinances, and District policies.

11.4.5 Recyclable items will be sold if cost-effective.

11.4.6 Surplus items may not be given to a private business in order for them to sell the item(s) for profit.

11.4.7 Surplus items may be donated to non-profit organizations when used as a source of funding or when the public will benefit directly from the donation.

11.5 WOOD PRODUCTS

11.5.1 Wood pole pieces that are non-reusable, accumulate gradually, and are in insufficient quantity to warrant sale to the public may be disposed of in any of the following manners:

- a. When part of a removal work order project, left on customer's property at the request of the property owner. The Project Coordinator must be notified when such arrangements are made by a District Representative.
- b. Picked up by customers who pre-arrange the pickup with the Purchasing Agent. The customer may be required to pay District costs if specific extra work must be performed to make the items available for pick up and sign any appropriate releases.
- c. Pick up by employees who have made prior arrangements with the Purchasing Agent.

11.5.2 Wooden wire reels may be picked up by the public or employees after confirmation of arrangements with the Purchasing Agent.

11.6 SCRAP METAL AND RECYCLABLE MATERIALS

11.6.1 Scrap metal and recyclable materials will be accumulated at the Operations Center.

11.6.2 Scrap metal and recyclable materials shall be accumulated in metal bins. The receipt ticket for each bin must contain the following: date picked up; contents; employee signature; and signed by the scrap dealer.

11.6.3 The receipt ticket will then be given to the Purchasing Agent and compared with the weights of materials given to Accounts Receivable by the scrap dealer when paid for.

11.7 RECORDS

11.7.1 All surplus property of value must be recorded on a “Surplus Property Disposal Record” by the Purchasing Agent and forwarded to the Finance Department for property records adjustments.

12. Statutory References

Table 7 - Statutory References

Statutory References	
Subject	Reference
Architecture and Engineering Services - Award	RCW 39.80.050
Architecture and Engineering Services - Contracts	RCW 39.80
Architecture and Engineering Services - Evaluation criteria	RCW 39.80.040
Architecture and Engineering Services - General statutory definition, architecture	RCW 18.08
Architecture and Engineering Services - General statutory definition, engineering and land surveyors	RCW 18.43
Architecture and Engineering Services - General statutory definition, landscape architecture	RCW 18.96
Architecture and Engineering Services - Intergovernmental contract for A/E services	RCW 39.34.030(6)
Architecture and Engineering Services - Requirements for A&E services notifications	RCW 39.80.030

Statutory References	
Subject	Reference
Architecture and Engineering Services - Women, Minority, and Veteran-Owned Businesses	RCW 39.80.040
Competitive Bidding Requirements - Exemptions	RCW 39.04.280
Contracts for work or materials and Bids	RCW 54.04.070; RCW 54.04.080
Emergency Exemptions	RCW 39.04.280
Payment and Performance Bond Requirements	RCW 39.08.010
Prevailing Wages	RCW 39.12
Public Works Projects - Competitive requirements	RCW 54.04.070; RCW 54.04.080
Public Works Projects - General intergovernmental contracting	RCW 39.34.030; RCW 39.34.080
Public Works Projects - Requirements for electrical facility construction or improvement	RCW 54.04.085
Purchases Goods, Materials, Equipment – Electronic data processing and telecommunications systems	RCW 39.04.270
Purchases Goods, Materials, Equipment - Exemption for auctions	RCW 39.30.045
Purchases Goods, Materials, Equipment - Vendor list	RCW 54.04.082; RCW 39.04.190
Purchases Goods, Materials, Equipment and Public Works - All other exemptions	RCW 39.04.280
Real Property Management	RCW 36.34
Retainage Requirements	RCW 60.28.011
Small Works Process – Award	RCW 39.04.010
Small Works Process - Interlocal contract	RCW 39.04.155(2)(b)

Statutory References	
Subject	Reference
Small Works Process - Limited Public Works project	RCW 39.04.155(3)
Small Works Process - Responsibility for ensuring that contractors on the roster meet qualifications	RCW 39.04.350
Small Works Process - Small Works Roster procedures	RCW 54.04.070; RCW 39.04.155
Water Quality Joint Development Act	RCW 70.150

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