

HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON

RESOLUTION 2016-03

A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
ADOPTING A PURCHASING MANUAL ESTABLISHING STANDARD
PURCHASING GUIDELINES, POLICIES, AND PRACTICES

WHEREAS, the Hartstene Pointe Water-Sewer District (District) is a special purpose district, governed by Title 57 of the Revised Code of Washington (RCW); and

WHEREAS, the District Board of Commissioners is required to comply with State laws and regulations related to purchasing of materials, supplies, equipment, work, and services; and

WHEREAS, the District desires to develop guidelines, policies, and procedures to supplement State laws and regulations; and

WHEREAS, Resolution 2011-03 authorized the small works roster process to award public works contracts, a consulting services roster process to award professional services contracts, and a vendor list purchasing and contract process; and

WHEREAS, all District staff is required to comply with these laws and regulations as they relate to their job duties; and

WHEREAS, the District desires to compile the State laws and regulations related to purchasing, as well as District guidelines, policies, and practices, in one publication to provide District staff with the tools for initiating purchases that meet all requirements of law; now


THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

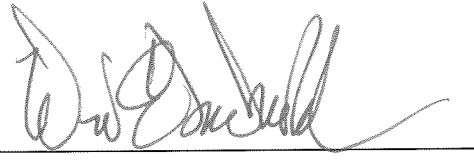
1. The District *Purchasing Manual* as presented, a copy of which is attached hereto as Exhibit "A", is hereby approved and the policies and procedures relating to purchasing as set forth therein, and as may hereafter be amended, are hereby adopted.
2. The District purchasing policies and procedures as set forth in the *Purchasing Manual* comply with State laws and regulations related to purchasing of materials, supplies, equipment, work, and services are subject to review and may be changed by the District at any time to incorporate regulatory changes.
3. Contracts for materials, work, and services may be let in accordance with the provisions of Title 39.04.155 RCW, Title 39.04.190 RCW, and Title 39.80 RCW and as may hereinafter be amended. Procedures for implementation of the provisions are included in the District *Purchasing Manual* and subsequent amendments.

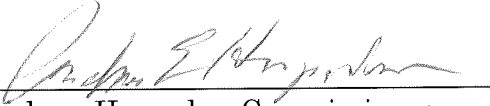
4. If there is a conflict with the language of the *Purchasing Manual* and State law, State law shall be followed.

ADOPTED by the District Board of Commissioners at its regular meeting on this 8th day of September, 2016.

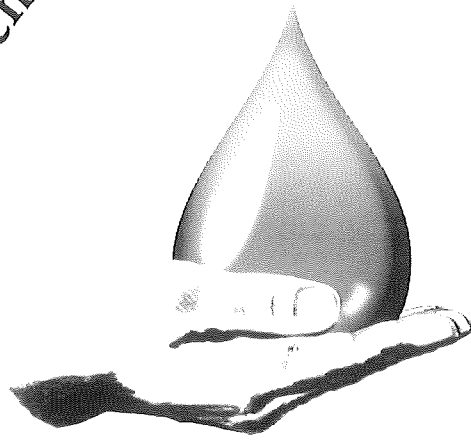
Hartstene Pointe Water-Sewer District
Mason County, Washington


Mary Alice Cary, President


David McNabb, Commissioner


Andrew Hospador, Commissioner

Hartstene Pointe Water - Sewer District



Dedicated to Service

Purchasing Manual

**Resolution 2016-03
Exhibit A**

Table of Contents

Purchasing Decision Trees

Item to Be Purchased – Cross Reference Guide

Section 1.	Competitive Sealed Bid Process – RCW 57.08.050	1
1.1	Procedure check sheet for Competitive Bid Process: Work >\$300,000	2
1.2	Procedure check sheet for Competitive Bid Process: Equipment & Materials >\$50,000	4
1.3	Regulatory Requirements - Competitive Bid Process: >\$300,000	6
Section 2.	Small Works Roster Contract Procedures – RCW 39.04.155	12
2.1	Procedure check sheet for purchases from approved Small Works Roster: <\$300,000	13
2.2	Regulatory Requirements – Small Works Roster Contracts: <\$300,000	14
Section 3.	Vendor List Purchasing Process – RCW 57.08.050(3); Purchasing Roster Process – RCW 57.08.050(4).....	17
3.1	Procedure check sheet for purchases from approved Vendor List or Purchasing Roster: \$0 - \$50,000	18
3.2	Regulatory Requirements – Vendor List or Purchasing Roster: \$0 - \$50,000	19
Section 4.	Small Purchases and Work.....	21
4.1	Procedure check sheet for small purchases and work: \$0 - \$2,500	22
4.2	Procedure check sheet for small purchases and work: \$2,501 - \$9,999	23
4.3	Procedure check sheet for small purchases \$10,000 - \$39,999; and work: \$10,000 - \$34,999	25
4.4	Regulatory Requirements - Small Purchases \$0 - \$40,000 and Work; \$0 - \$35,000	27
Section 5.	Electronic Data Processing and Telecommunications Systems ..	32
5.1	Procedure check sheet for Competitive Negotiation Process for the purchase of Electronic Data Processing and Telecommunications Systems	33
5.2	Regulatory Requirements - Competitive Negotiation Process for the purchase of Electronic Data Processing and Telecommunications Systems	35
Section 6.	Purchases at Auction – RCW 39.30.045	37

Section 7.	Competitive Bidding Requirements - Exceptions.....	38
7.1	Purchases that are clearly and legitimately limited to a single source of supply..	38
7.2	Purchases involving special facilities or market conditions	38
7.3	Purchases in the event of an emergency –	38
7.4	Purchases of Insurance or Bonds	39
7.5	Public Works in the Event of an Emergency	39
7.6	Using Alternative Public Works Contracting Procedures under RCW 39.10	39
7.7	Pollution Control Projects Qualified under RCW 70.95A.....	39
7.1.1	Regulatory Requirements – Competitive Bidding Exemptions.....	40
Section 8.	Purchases Exempt from Competition.....	44
Section 9.	Contracting for Professional Services - RCW 39.80	46
9.1	Procedure check sheet for Procurement for Professional Services: Method 1	47
9.2	Procedure check sheet for Procurement for Professional Services: Method 2	48
9.3	Regulatory Requirements - Procurement for Professional Services.....	49
Section 10.	Contracting for Personal/Purchased Services – RCW 39.29	52
10.1	Procedure check sheet for Procurement for Personal Services: \$1 - \$4,999	54
10.2	Procedure check sheet for Procurement for Personal Services: \$5,000 - \$49,999	55
10.3	Procedure check sheet for Procurement for Personal Services: \$50,000 or more	56
10.4	Regulatory Requirements – Procurement for Personal/Purchased Services.....	58

Appendix

- Appendix A - Glossary
- Appendix B – Verbal and Written Quote Forms
- Appendix C - Rosters
- Appendix D – Emergency Templates
- Appendix E – Prevailing Wage Information and Forms
- Appendix F – District Resolutions
- Appendix G – Small Works Contract Template
- Appendix H – Agreement for Consulting Services Template
- Appendix I – Request for Quotes/Proposals Template
- Appendix J – Retainage Release Checklist

Equipment, Supplies, & Materials Purchasing Decision Tree

Purchase of Equipment, Supplies, or Materials
 Examples: Pumps, Pipes, Meters, Vehicles, Safety Equipment, Warehouse Stock, Personal Protective Equipment, Stationary, Office Supplies, Office Furniture (List is not all inclusive)

Is the purchase exempt from competitive bidding requirements?
 RCW 39.04.280

Yes → []
 No → []
 Unsure? → []

Ask and Answer the Following Questions About the Purchase

- ⇒ Is there only one supplier available for the item to be purchased?
- ⇒ Is it necessary for the item to come from a special facility and only one is available?
- ⇒ Does an Emergency Condition exist?
- ⇒ Has the Board of Commissioners declared an Emergency?
- ⇒ Is the purchase for insurance or Bonds?

If you answered "Yes" to any of the questions above, follow the "Yes" line.

Award Contract, make purchase, and document per RCW 39.04.280 & District Procedure

See Section 7 of Purchasing Manual.

Estimate purchase cost.

Is the purchase Related to a "Public Works" project?

Yes → []
 No → []
 Unsure? → []

Ask and Answer the Following Questions About the Purchase

- ⇒ Is the purchase necessary for work being performed by outside contractors?
- ⇒ Is the purchase necessary for work, construction, alteration, repair, or improvement to District property, facilities, or equipment that would not be considered "Ordinary Maintenance"?
- ⇒ Ordinary Maintenance is work that is performed on regularly scheduled basis (e.g. daily, weekly, monthly, etc. but not less frequently than once per year), to service, check, or replace items that are not broken, or work that is not regularly scheduled but is required to maintain an asset so that repair does not become necessary.

Is the cost estimated to be > \$300,000?

Yes → **Competitive Bids Required RCW 57.08.050(1)** → See Section 1 of Purchasing Manual.

No → **Use of Small Works Roster or Competitive Bid Process Allowed RCW 57.08.050(2)**

Is the Purchase Available at Auction?

Yes → **Do you want to purchase at auction?** → Yes → See Section 8.1.k of Purchasing Manual.

No → []

Is the Purchase estimated to cost more than \$50,000?

Yes → **Competitive Bids Required RCW 57.08.050(1)** → See Section 1 of Purchasing Manual.

No → []

Is the Purchase estimated to cost between \$40,000 & \$50,000?

Yes → **Use of Vendor List or Purchasing Roster Allowed RCW 57.08.060(3.4)** → See Section 3 of Purchasing Manual.

No → []

Is the Purchase estimated to cost less than \$40,000?

Yes → **Follow District purchasing procedures not covered under RCW** → See Section 4 of Purchasing Manual.

Do you want to use the Competitive Bid Process?

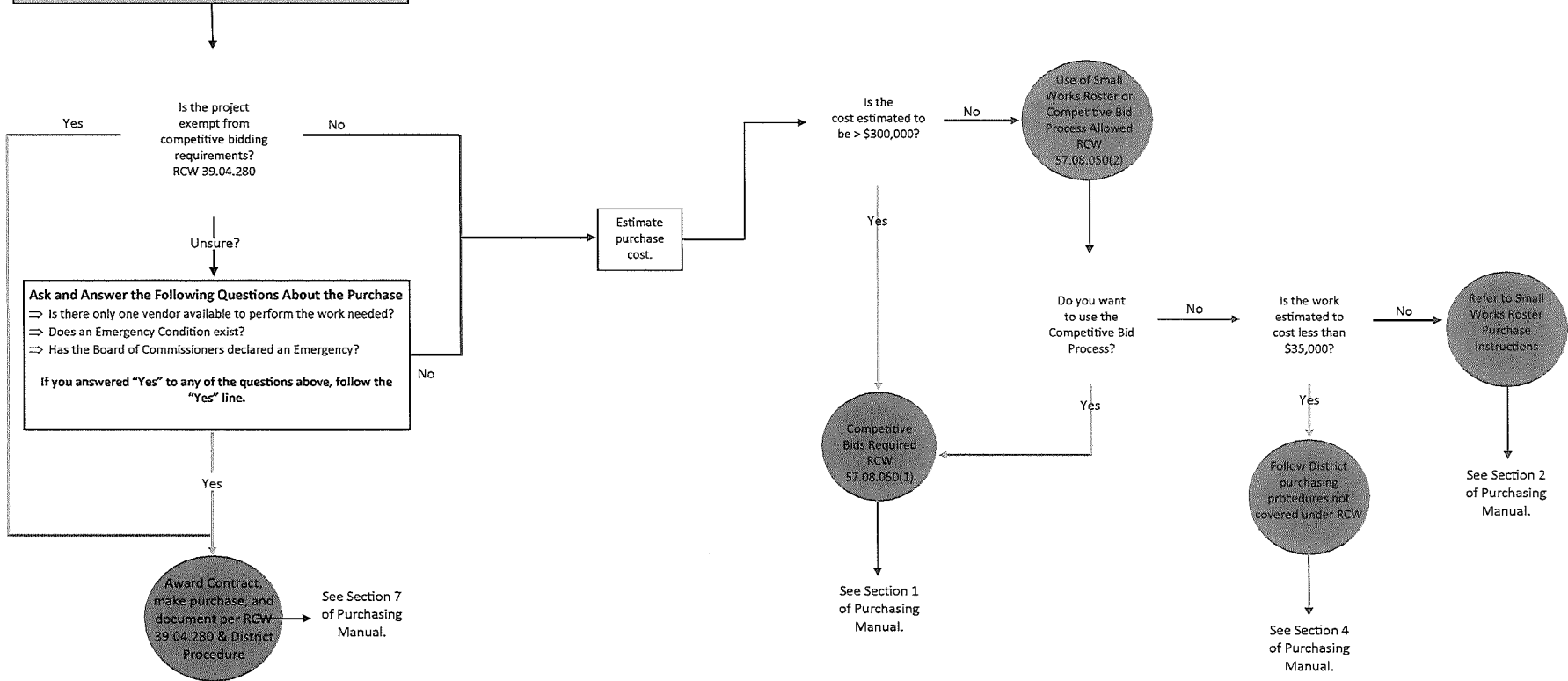
No → **Refer to Small Works Roster Purchase Instructions** → See Section 2 of Purchasing Manual.

Yes → []

Equipment, Supplies, & Materials
 Purchasing Decision Tree

Public Works Project Purchasing Decision Tree

Contracting of Work to Be Performed By Outside Contractor
 Examples: Equipment repair, concrete work, sewer TV service, electrical, construction, mechanical, plumbing, etc. (List is not all inclusive)



Public Works Project
Purchasing Decision Tree

Personal/Purchased Services Purchasing Decision Tree

**Personal/Purchased Services
Contract Required**

Does an emergency exist that requires the immediate execution of the work?

Yes

Award Contract per RCW 39.29.011

No

Determine General Scope and Nature of Services Needed AND Estimate Cost of Contract

Is the estimated contract cost less than \$5,000?

Yes

Competition not required.

See Section 10.1 of Purchasing Manual.

No

Is the estimated contract cost between \$5,000 & \$49,999?

Yes

Competition Required RFQ Process Advertisement not required.

See Section 10.2 of Purchasing Manual.

No

Is the estimated contract cost more than \$50,000?

Yes

Competition Required RFP/RFQ Process Advertisement Required

See Section 10.3 of Purchasing Manual.

Definition:

- **Personal services:** involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work.
- **Purchased services:** labor, time and effort provided by an independent contractor for routine, necessary, and continuing functions of the District.

In General, the following services are included in this section:

Personal Services:

- ⇒ Accounting
- ⇒ Locating
- ⇒ Environmental Planning
- ⇒ Legal Services
- ⇒ Management Consulting
- ⇒ Quality Assurance
- ⇒ Rate Study
- ⇒ Research
- ⇒ Scientific Studies
- ⇒ Statistical Analysis
- ⇒ Strategic Planning

Purchased Services:

- ⇒ Delivery/Courier Service
- ⇒ Grounds Keeping
- ⇒ Herbicide Application Service
- ⇒ Recycling/Disposal/Litter Pickup Service
- ⇒ Vehicle Inspection, Lubricating, and Repair Service
- ⇒ Equipment Maintenance
- ⇒ Operation of a Physical Plant
- ⇒ Security
- ⇒ Computer Hardware and Software Maintenance
- ⇒ Data Entry
- ⇒ Contract Programming

Personal/Purchased Services
Purchasing Decision Tree

Item to Be Purchased – Cross Reference Guide

Item	Estimated Cost (\$\$\$)	Reference Section
Accounting Services	Any	10
Architectural Design	Any	9
Auctions (purchases made from)	Exempt from Competition	6, 8.1.K
Bulk Sand, Gravel, etc.	0-40,000	4
	40,001-50,000	3
	>50,000	1
Class Instruction	Any	8.1.J, 10
Consulting Services (not Professional Services)	Any	10
Concrete Work, Contractor Used	0-34,999	4
	35,000-300,000	2
	>300,000	1
Cones	0-40,000	4
	40,001-50,000	3
	>50,000	1
Conferences & Seminars	Exempt from Competition	8.1.E
Construction	0-34,999	4
	35,000-300,000	2
	>300,000	1
Electrical	0-34,999	4
	35,000-300,000	2
	>300,000	1
Engineering Services	Any	9
Envelopes, Pre-printed	0-40,000	4
	40,001-50,000	3
	>50,000	1
Hydrants	0-40,000	4
	40,001-50,000	3
	>50,000	1
Letterhead	0-40,000	4
	40,001-50,000	3
	>50,000	1
Locating Service	Any	10
Mechanical Work	0-34,999	4
	35,000-300,000	2

Meters	>300,000	1
	0-40,000	4
	40,001-50,000	3
	>50,000	1
OEM Repair Services and/or Equipment	Exempt from Competition	8.1.H
Office Furniture	0-40,000	4
	40,001-50,000	3
	>50,000	1
Office Supplies, Special Request	0-40,000	4
	40,001-50,000	3
	>50,000	1
Office Supplies, Standard	0-40,000	4
	40,001-50,000	3
	>50,000	1
Paper Goods	0-40,000	4
	40,001-50,000	3
	>50,000	1
Pipe	0-40,000	4
	40,001-50,000	3
	>50,000	1
Plumbing	0-34,999	4
	35,000-300,000	2
	>300,000	1
Postage and Postal Service	Exempt from Competition	8.1.B
Printing	Any amount	10
Professional Licenses & Memberships	Exempt from Competition	8.1.C
Publications, Subscriptions, Directories	Exempt from Competition	8.1.D
Pump	0-40,000	4
	40,001-50,000	3
	>50,000	1
Safety Equipment	0-40,000	4
	40,001-50,000	3
	>50,000	1
Sewer TV Service	0-34,999	4
	35,000-300,000	2
	>300,000	1
Signs	0-40,000	4
	40,001-50,000	3
	>50,000	1
Structural Design	Any	9

Technical Inspection & Certification Services	Exempt from Competition	8.1.I
Tools	0-40,000	4
	40,001-50,000	3
	>50,000	1
Training Services	Exempt from Competition	8.1.J
Utilities	Exempt from Competition	8.1.A
Vehicles	0-40,000	4
	40,001-50,000	3
	>50,000	1
Warehouse Stock	0-40,000	4
	40,001-50,000	3
	>50,000	1

Section 1. Competitive Sealed Bid Process – RCW 57.08.050

This section covers the competitive sealed bid process to award contracts.

WORK

This section should be used for construction, building, renovation, remodeling, alteration, repair, improvement of real property, or any other work performed by outside contractors when the estimated project cost exceeds \$300,000¹.

MATERIALS

This section should be used for materials and equipment purchases when the estimated cost exceeds \$50,000.

Examples:

Work & Materials associated with Public Work

Capital Improvement Projects	> \$300,000
Equipment Purchases	> \$ 50,000
Materials Purchases (i.e. water meters, pipe, etc.)	> \$ 50,000

***These example lists are not all inclusive.**

¹ For bid limit purposes, the applicable retail sales and use tax must be included when determining the cost of a public works, or when calculating the cost of materials, supplies, and equipment purchased separately from a public works. RCW 82.04.050 provides exemptions to the sales and use tax applicability for certain public works projects. Exemptions include the “sale of or charge made for labor and services rendered in respect to the building, repairing, or improving of any street, place, road, highway, easement, right of way, mass public transportation terminal or parking facility, bridge, tunnel or trestle...” RCW 82.04.050(8).

1.1 Procedure check sheet for Competitive Bid Process: Work >\$300,000
See Section 1.2 for Regulatory Requirements for the steps below.

		Completed
STEP 1:	Prepare (or have the project engineer prepare) contract bid documents. This may include:	<input type="checkbox"/>
1.1:	Sample Contract	
1.2:	Plans	
1.3:	Specification	
1.4:	Bid Schedule	
STEP 2:	Determine Cost Estimate for Project	<input type="checkbox"/>
STEP 3:	Obtain engineer's cost estimate and note in file	<input type="checkbox"/>
STEP 4:	Obtain Permits and Right of Way	<input type="checkbox"/>
STEP 5:	Obtain Board authorization to advertise project for bids	<input type="checkbox"/>
STEP 6:	Publish advertisement notice in newspaper(s). <ul style="list-style-type: none"> ▪ Daily Journal of Commerce ▪ Shelton-Mason County Journal 	<input type="checkbox"/>
STEP 7:	Bid Period – During this time, bid documents are distributed, prospective bidders may submit questions, Bid addendums may be prepared and distributed. <ul style="list-style-type: none"> ▪ These tasks are generally the responsibility of the Consulting Engineer/Architect for the project. ▪ Prepare Bid Tab Sheet 	<input type="checkbox"/>
STEP 8:	Hold Bid Opening <ul style="list-style-type: none"> ▪ Staff shall date stamp and note time of receipt on all submitted bids. ▪ Minimum of two HPWSD Staff members shall be present at Bid Opening. ▪ Disclose only the name of the bidder and the total bid price for the bid. ▪ Note bid information on tab sheet during bid opening and reading of bids. 	<input type="checkbox"/>
STEP 9:	Review Bids for accuracy, check qualification information, and request any required supplemental bidder criteria. <ul style="list-style-type: none"> ▪ These tasks are generally the responsibility of Consulting Engineer/Architect. ▪ Obtain letter from Consultant of their award recommendation and certified bid tabs. ▪ Check to make sure contractor is a responsible bidder and qualified to perform work under a Public Works Contract. (Perform search on sam.gov and print results). 	<input type="checkbox"/>
STEP 10:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 11:	Obtain Board Authorization to award contract	<input type="checkbox"/>
STEP 12:	Send "Notice of Award" to selected contractor. Notice of Award shall including:	<input type="checkbox"/>

	<ul style="list-style-type: none"> ▪ Two (2) complete bid documents (original bid and one copy) for signature. These documents must be returned to HPWSD. ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. ▪ Requirement for contractor to provide all bonds ▪ Requirement for contractor to provide all insurance information. <p>NOTE: Keep copy of original bid and contract document in project file.</p>	
STEP 13:	<p>Enter into contact.</p> <p>All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files.</p>	<input type="checkbox"/>
STEP 14:	Obtain necessary Prevailing Wage Documentation including “Intent to Pay Prevailing Wages”	<input type="checkbox"/>
STEP 15:	Issue Contractor “Notice to Proceed”	<input type="checkbox"/>
STEP 16:	Schedule Pre-Construction meeting with Contractor.	<input type="checkbox"/>
STEP 17:	Return bid bonds to all other bidders.	<input type="checkbox"/>
STEP 18:	<p>Review the project file for completeness. The file must contain, at a minimum, the following:</p> <ul style="list-style-type: none"> ▪ Board Authorization to Advertise ▪ Advertisement ▪ Payments for Advertisement ▪ Addendums and associated correspondence related to addendums ▪ Bid opening Bid Tab Sheets ▪ All bids received ▪ Engineers recommendation and certified bid tab ▪ Board “Authorization to Award” memo ▪ Award Letter ▪ Board “Authorization for Contract Execution” and “Notice to Proceed” ▪ Bid Bond return letters. 	<input type="checkbox"/>
STEP 19:	Obtain necessary Prevailing Wage Documentation including “Affidavit of Wages Paid”	<input type="checkbox"/>
STEP 20:	Follow District procedures and contract requirements for payment for the contract work.	<input type="checkbox"/>

1.2 Procedure check sheet for Competitive Bid Process: Equipment & Materials >\$50,000

	Completed
STEP 1: Prepare contract bid documents. This may include 1.1: Sample Contract 1.2: Specification 1.3: Bid Schedule	<input type="checkbox"/>
STEP 2: Determine Cost Estimate for Project	<input type="checkbox"/>
STEP 3: Obtain concurrence of cost estimate and note in file	<input type="checkbox"/>
STEP 4: Obtain Board authorization to advertise for bids	<input type="checkbox"/>
STEP 5: Publish advertisement notice in newspaper(s). ▪ Daily Journal of Commerce ▪ Shelton-Mason County Journal	<input type="checkbox"/>
STEP 6: Bid Period – During this time, bid documents are distributed, prospective bidders may submit questions, Bid addendums may be prepared and distributed. ▪ Prepare Bid Tab Sheet	<input type="checkbox"/>
STEP 7: Hold Bid Opening ▪ Staff shall date stamp and note time of receipt on all submitted bids. ▪ Minimum of two HPWSD Staff members shall be present at Bid Opening. ▪ Disclose only the name of the bidder and the total bid price for the bid. ▪ Note bid information on tab sheet during bid opening and reading of bids.	<input type="checkbox"/>
STEP 8: Review Bids for accuracy and check qualification information ▪ Make staff recommendation, prepare memo	<input type="checkbox"/>
STEP 9: Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 10: Obtain Board Authorization to award contract	<input type="checkbox"/>
STEP 11: Send “Notice of Award” to selected contractor. Notice of Award shall including: ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. ▪ Requirement for contractor to provide all bonds ▪ Requirement for contractor to provide all insurance information. NOTE: Keep copy of original bid and contract document in project file.	<input type="checkbox"/>
STEP 12: Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
STEP 13: Initiate Purchase	<input type="checkbox"/>

STEP 14:	Return bid bonds to all other bidders, if applicable.	<input type="checkbox"/>
STEP 15:	Review the project file for completeness. The file must contain, at a minimum, the following: <ul style="list-style-type: none"> ▪ Board Authorization to Advertise ▪ Advertisement ▪ Payments for Advertisement ▪ Addendums and associated correspondence related to addendums ▪ Bid opening Bid Tab Sheets ▪ All bids received ▪ Board “Authorization to Award” memo ▪ Award Letter ▪ Board “Authorization for Contract Execution” and “Notice to Award” ▪ Bid Bond return letters. 	<input type="checkbox"/>
STEP 16:	Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

1.3 Regulatory Requirements - Competitive Bid Process: >\$300,000

A formal, competitive process such as Invitation for Bids (IFB), Requests for Proposals (RFP), or other formal competition processes are required for expenditures meeting the criteria in the Limits section below.

EXAMPLES: Water Meters, Large Equipment, Construction Projects, etc.

A. LIMITS

REQUIRED FOR:

Public Work	Estimated Cost	>\$300,000
Equipment/Supplies/Materials	Estimated Cost	>\$50,000

RECOMMENDED FOR:

Public Work	Estimated Cost	>\$300,000
Equipment/Supplies/Materials	Estimated Cost	>\$50,000

ALLOWED FOR:

Public Work	Estimated Cost	<\$300,000
Equipment/Supplies/Materials	Estimated Cost	<\$50,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds;
5. Public works in the event of an emergency;
6. When Authorized to use alternative public work contracting procedures under RCW 39.10; or
7. Pollution Control Project qualified under RCW 70.95A.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

a. Requirement Reference Chart

Bid Format	Written
Public Notice	Required
Bid Opening Format	Public
Bid Recording	Required
Late Bids	Not allowed
Award Procedure	Lowest Responsible Bidder
Written Contract	Required
Small Works Process	Not Allowed
Bid Bond	5% Required

Performance Bond	Required
5% Retainage	Required
Maintenance Guaranty	Optional (Recommended for equipment and system purchases)
Prevailing Wage Affidavit 39.12.040(1)	Required
Intent to Pay Prevailing Wage 39.12.040(1)	Required (Must be approved by L&I prior to submittal to HPWSD)

D. BID PROCESS

a. INVITATION FOR BIDS (IFB), REQUESTS FOR PROPOSALS (RFP)

IFB/RFP should contain, at a minimum, the following:

1. Description of purchase or work.
2. Specifications covering the item(s) needed or work required.
3. Terms and conditions of the contract.
4. General and special instructions to bidders.
5. Cost and non-cost criteria (mandatory and supplemental bidder criteria) for evaluating the bids received.
6. Whether the “lowest responsible bid” will be computed by (1) line item; (2) groups of items; (3) the entire bid; or (4) if the District has the discretion to make that determination independently.
7. Price sheets for the vendors to submit prices.
8. Offer and acceptance sheet for the bidder to sign.

b. BID DEVELOPMENT, SPECIFICATIONS

Specifications should be developed to promote full and unrestricted competition through setting forth actual, minimum requirements.

1. Plans and specifications must be complete and on-file prior to the time of publication of the public notice.
2. Plans and specifications must be available for public inspection.

c. PUBLIC NOTICE

A notice of the description of the purchase or work shall be published in the the Shelton-Mason County Journal² with the following requirements.

1. Published a minimum of one (1) time.
2. Published thirteen (13) days before the last date upon which bids will be received.
3. Generally state the work to be done or purchase description.
4. Invite sealed proposals for work or purchase.
5. State where to file bids.
6. State deadline for receipt of bids (day and hour).

² Additional notices may be published in other papers.

d. BID AMENDMENTS

If, after issuance of a bid, changes must be made in quantity, specifications, delivery schedule, or closing date, or if corrections are needed because of defects or ambiguities, an amendment to the bid should be issued. The amendment should be in writing. Consider the time set for receipt of quotations and the necessity or desirability of extending the closing date. Inform potential bidders of such extensions by telephone and then send confirmation by post or electronically. All firms to whom the original bid was sent must be notified of all changes and time extensions.

e. BID RECEIPT & OPENING

Bids are to be received at the time, date, and location specified in the bid document. Time and Date Stamped – Upon receipt, un-opened bids are to be time and date stamped to validate the time of receipt. Late bids shall not be considered and will be returned un-opened to the bidder.

Signed – In general, all bids or quotes which are lacking an appropriate signature of the Offer and Award form will be rejected. However, purchasing personnel may consider bids or quotes which include satisfactory evidence of the bidder's desire to be bound by the terms and conditions specified in the bid/quote document such as in the form of a signed cover letter stating bidder intent. The Offer and Award form need not include an original signature to be considered responsive. A signed copy of the Offer and Award form may be accepted provided it is received before time specified for the opening of bids/quotes. Bids/quotes which are neither signed nor include satisfactory evidence of bidders desire to be bound by terms and conditions shall be rejected after review of all documents included in the bid/quote. Bids which include provisions for digital signatures may be accepted provided they otherwise meet bid requirements.

Sealed – Bids which are not received in a sealed envelope by bid opening date/time will be rejected by the District. This includes all envelopes, which are secured by metal clasp, twist tie string, etc. or those, which do not otherwise preclude unauthorized access. Bidders who deliver their bids in an envelope, which is not sealed, may be allowed to correct this deficiency provided they do so before time/date specified for opening of bids.

Bid Disclosure – The requirement for public opening of bids is a statement of openness to reduce the possibilities of collusion and favoritism and to foster public confidence in the procurement system. Only pertinent information should be read at the opening. This includes the name of the bidder and the total bid price. The time for full disclosure is following award of the bid. The disclosure of pricing is not pertinent information and it is inappropriate to expose pricing at the opening.

Bid Withdrawal – A bidder is permitted to withdraw their bid before the bid opening date/time. Bidders withdrawing their bids may do so by providing a signed

letter on their company letterhead requesting to withdraw their bid. The withdrawal request letter must identify the method of return or identify the person authorized to receive the bid. If no method of bid return is identified, the bid shall be destroyed after the bid opening.

If the bid is returned via US Postal service or other small package carrier, the bidder must also provide shipping charges. If the bid will be withdrawn in person, the person must provide a business card and ID to validate that they are the person identified in the withdrawal letter. The withdrawal letter must also be initialed "bid withdrawn" by the person identified in the withdrawal letter and filed with the bid documents.

f. BID EVALUATION

Bids shall be reviewed and checked for accuracy. Qualification information should be checked at this point. These tasks are generally the responsibility of the Consulting Engineer/Architect, but may be staff responsibility for smaller projects. If a consultant provided the review, they should provide a letter of their award recommendation and certified bid tabs.

g. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and re-advertise.

h. NEGOTIATION

Negotiation of contract language may take place between the District and the selected party. Final contract language must be accepted by the General Manager and the Board of Commissioners.

i. BID AWARD

Following selection of the contractor/vendor, a "Notice of Award" should be sent to the selected contractor/vendor. The Notice of Award should include:

- Two (2) complete contract documents for signature. These documents must be returned to HPWSD.
- Requirement for contractor to provide all bonds
- Requirement for contractor to provide all insurance information.

NOTE: Keep copy of original bid and contract document in project file.

E. DISCLOSING PURCHASING INFORMATION

Full disclosure of bid information should not be made prior to award of the bid. Disclosure of this information is available through the "Request for Public Records" process. Bid documents submitted in response to a request for proposals become a public record upon submission to the District, subject to mandatory disclosure upon request by any person, unless the documents are exempted from public disclosure by a specific provision of law.

F. PREVAILING WAGE

a. REQUIREMENT - RCW 39.12.040

Public works contracts require that each and every employer on the project file a Statement of Intent to Pay Prevailing Wages (Intent), and Affidavit of Wages Paid (Affidavit) forms. The forms are filed with the Department of Labor & Industries and, once they are approved, are submitted by the employer to the District. These forms are required for every public works contract regardless of size of the contract.

b. BID DOCUMENTS – RCW 39.12.030

All bid specifications for public work and public building service maintenance contracts must include the following provisions and information:

- State that prevailing wage rates shall be paid, and
- Include a list of the applicable prevailing wage rates.
- The prevailing wage rate is the rate in effect on the bid due date and shall remain the same through the duration of the project. Exception: If the contract is awarded more than 6 months after the bid due date, then the prevailing wage rate shall be the rate in effect as of the date of the contract. WAC 296-127-011

c. CONTRACTS FOR PUBLIC WORK - RCW 39.04.010, 39.12.030, 39.12.040, 39.12.042

Employers are not responsible for making the legal determination of whether a contract does or does not meet the definition of a “public works” contract. The District must make the determination of whether the contract involves “public work” and communicate it to the employers in the bid specifications and contracts. Failure to make and include the determination that prevailing wages are required shall result in liability to the District.

d. PREVAILING WAGE PROVISIONS - RCW 39.04.010, 39.12.030, 39.12.040, 39.12.042

The District must stipulate in bid specifications and contracts for public work that workers shall receive the prevailing rate of wage. The documents must also contain a list of the applicable prevailing wage rates. Compliance with the law is not met by referring contractors to Labor & Industries or other sources to obtain wage rate information. Failure to make and include the determination that prevailing wages are required shall result in liability to the District.

e. INTENTS - RCW 39.12.020, 39.12.040

The Intent form is filed immediately after the contract is awarded and before work begins, whenever possible. The District may not make any payments until contractors have submitted an Intent form that has been approved by the Department of Labor & Industries Industrial Statistician. If work must begin prior to receipt of the approved Intent form, the complete listing of prevailing wage rates for the county may be posted and distributed to meet the immediate requirement (RCW 39.12.020).

f. AFFIDAVITS - RCW 39.12.040

The Affidavit form is not filed until after all work is completed. The District may not release final retainage until all contractors have submitted an Affidavit form that has been certified by the Industrial Statistician.

g. POSTING OF PREVAILING WAGES – RCW 39.12.020

Intent forms listing the labor classifications and wages used on the project are required to be posted for the employees' inspection at the job site for projects exceeding \$10,000. On projects where employees are in multiple locations (i.e. sewer line or pipeline project), the employer may post this form at the nearest local office as long as they provide a copy of the Intent form to the employee upon request.

h. DISBURSAL OF PUBLIC FUNDS – RCW 39.12.030, 39.12.040

The District may not make any payments where employers have not submitted an Intent form that has been approved by the Department of Labor and Industries Industrial Statistician. The requirement to submit these forms should be stated in the contract.

i. MISC.

Materials and equipment to be fabricated for incorporation into a public works project (e.g. pump stations, on-site generators, etc.) should be treated for purchase as "public works". However, the prevailing wage requirements will not apply to materials and equipment fabricated out of state.

**Section 2. Small Works Roster Contract Procedures – RCW 39.04.155
District Resolution – 2011-03**

This section covering small works roster contract procedures can be used as an alternative to the competitive sealed bid process to award contracts for construction, building, renovation, remodeling, alteration, repair, improvement of real property, or any other work performed by outside contractors provided the estimated cost of the project does not exceed \$300,000. For projects where the estimated cost is less than \$35,000, see Section 4: Small Purchases and Work.

The Small Works Roster Process utilizes the Small Works Roster established by the District. RCW 39.04.155 and District Resolution 2011-03 provide authority for the District to utilize the Small Works Roster process. The District has adopted the small public works roster developed and maintained by the Municipal Research and Services Center of Washington (MRSC). In addition, paper and/or electronic rosters may be kept on file by the District. The General Manager is responsible for maintenance of the approved Roster and list of contracts let under this process. The procedures for establishing and maintaining the roster and maintenance of the contract list can be found in Appendix C. The Roster is updated when new contractors submit applications and are determined to be qualified for addition to the roster. A copy of the Roster is also provided in Appendix C and will be updated annually.

Master contracts may be required to be signed that become effective when a specific award is made using a small works roster (RCW 39.04.155(2)(a)).

Examples:

Work & Materials associated with Public Work

Capital Improvement Projects

Equipment Repair

Concrete Work

Electrical

Construction

Mechanical

Plumbing

Materials, Equipment, Supplies associated with contracted work

***These example lists are not all inclusive.**

2.1 Procedure check sheet for purchases from Small Works Roster: \$35,000-\$300,000
See Section 2.2 for Regulatory Requirements for the steps below.

		Completed
STEP 1:	Prepare contract bid documents. This may include:	
1.1:	Sample Small Works Contract	<input type="checkbox"/>
1.2:	Plans	<input type="checkbox"/>
1.3:	Specification	<input type="checkbox"/>
1.4:	Bid Schedule	<input type="checkbox"/>
STEP 2:	Determine Cost Estimate for Project	<input type="checkbox"/>
STEP 3:	Obtain written bids from contractors from the District's approved Small Works Roster in accordance with the following:	
3.1:	Project Estimated Cost: \$150,000 - \$300,000 Bids must be obtained from a minimum of five (5) contractors from the roster that perform the work necessary for the project. NOTE: If there are more than five (5) contractors on the roster eligible to perform the required work, notice of the project must be published in the newspaper or mailed to all remaining applicable contractors on the roster.	<input type="checkbox"/>
3.2:	Project Estimated Cost: \$35,000 - \$150,000 Bids must be obtained from a minimum of five (5) contractors from the roster that perform the work necessary for the project.	<input type="checkbox"/>
STEP 4:	Review Bids and make recommendation to Board of Commissioners to enter into contract with the "lowest responsible bidder".	<input type="checkbox"/>
STEP 5:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 6:	Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
STEP 7:	Schedule Pre-Construction meeting with Contractor.	<input type="checkbox"/>
STEP 8:	Obtain performance bond and insurance certificates	<input type="checkbox"/>
STEP 9:	Issue Contractor "Notice to Proceed"	<input type="checkbox"/>
STEP 10:	Add contract to the District's Small Works Awards List and publish on the District website under Procurement - Small Public Works Awards. Bid quotes are public record and must be open to public inspection and available to the public by telephone inquiry.	<input type="checkbox"/>
STEP 11:	Follow District procedures and contract requirements for payment for the contract work. Have intent on file before making any payment. When project completed and accepted and affidavit is received file the Notice of Completion with L&I, Employment Security Dept., and Dept. of Revenue. Release 5% retainage once clearance is received from all three state agencies.	<input type="checkbox"/>

2.2 Regulatory Requirements – Small Works Roster Contracts: <\$300,000

The Small Works Roster Contract and Limited Works Procedures can be used as an alternative to the competitive sealed bid process to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property and meeting the criteria in the Limits section below.

A. LIMITS

SMALL WORKS ROSTER CONTRACT PROCEDURES

ALLOWED FOR:

Work Estimated Cost ≤\$300,000

RECOMMENDED FOR:

Work Estimated Cost >\$35,000 and ≤\$300,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds; and
5. Public works in the event of an emergency.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

	Small Works Roster >\$35,000 and ≤\$300,000
Bid Format	Quotes: written or electronic
Public Notice	May be required
Bid Opening Format	N/A
Bid Recording	Required
Late Bids	Not Allowed
Award Procedure	Lowest Responsible Bidder
Written Contract	Required
Limited Works Process	Allowed for project <\$35,000
Bid Bond	Required – 5%
Performance Bond	Required
5% Retainage	Required
Maintenance Guaranty	Optional (Recommended for equipment and system purchases)

Prevailing Wage Affidavit	Required
Intent to Pay Prevailing Wage	Required

D. SMALL WORKS PROCESS (\$35,000 – \$300,000)

a. INVITATION FOR QUOTES

Invitations for quotes shall contain, at a minimum, the following:

1. Estimate of the scope and nature of the work to be performed.
2. List of materials and equipment to be furnished. Detailed plans and specifications are not required. However, architectural or engineering approvals may be needed to ensure quality and compliance with building codes.
3. Quotes shall be solicited, whenever possible, from at least five (5) contractors, who have indicated the capability of performing the kind of work being contracted, from the approved roster.

b. PUBLIC NOTICE

Project Amount \$150,000 - \$300,000: Publication of notice requesting bids is required when the estimated project amount exceeds \$150,000 and bids are solicited from less than all appropriate contractors on the approved Small Works Roster. Notice may be made by: 1) public advertisement; 2) mailing a notice to all contractors on the Roster; 3) sending notice to all contractors or roster by fax or other electronic means.

Project Amount \$35,000 - \$150,000: Publication of notice requesting bids is not required when the estimated project amount is less than \$150,000.

c. QUOTE RECEIPT

Quotes may be received via written document or electronic document.

d. QUOTE EVALUATION

The Contract shall be awarded to the lowest responsible bidder.

e. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and re-advertise.

f. CONTRACT AWARD

A specific contract awarded from the Small Works roster does not need to be advertised.

g. DISCLOSING INFORMATION

Immediately after an award of a contract is made, the District’s manager shall record the quotations obtained for the contract, and shall make the bid quotations open to public inspection and available to the public by telephone inquiry.

The District shall make available a list of the contracts awarded under the Small Works Roster Process at least once every year. The list shall be posted on the District website. This list shall include:

1. Name of Contractor
2. Contractor's registration number
3. Amount of the Contract
4. Brief description of the type of work performed
5. Date the contract was awarded
6. Location where the bid quotations for these contracts are available for public inspection.

E. PREVAILING WAGE

Purchases awarded from small works roster contracts must require that prevailing wage rates be paid and that Intent and Affidavit forms are filed. See Section 1.6 for more information.

F. PHASING PROJECTS PROHIBITED

The breaking of any project into units or accomplishing any projects by phases is prohibited if it is done for the purpose of avoiding the maximum dollar amount of a contract that may be let using the small works roster process or limited works process.

**Section 3. Vendor List Purchasing Process – RCW 57.08.050(3)
Purchasing Roster Process – RCW 57.08.050(4)
Purchase Contract Process – RCW 39.04.190, 200
District Resolution - 2011-03**

This Section can be used for the purchase of materials, equipment, or supplies, when the cost of the purchase is between \$0 - \$50,000. It is recommended that this process be used when the estimated cost exceeds \$40,000. For purchases where the estimated cost is less than \$40,000, see Section 4: Small Purchases and Work.

The Vendor List Purchasing Process utilizes the Vendor List established by the District. RCW 57.08.050, RCW 39.04.190, and District Resolution 2011-03 provide authority for the District to utilize the Vendor List purchasing and contract process. The General Manager is responsible for maintenance of the approved Vendor List and list of contracts let under this process. The procedures for establishing and maintaining the Vendor List and maintenance of the contract list can be found in Appendix C. A copy of the Vendor List is also provided in Appendix C and will be updated annually. The List is updated when new vendors are determined to be qualified to addition to the roster. For the most current List, contact the General Manager.

The Purchasing Roster Process, authorized under RCW 57.08.050(4), utilizes pre-established purchasing rosters that have been established in accordance with the competitive bidding law (i.e. State Bid, WSCA, KCDA, etc.).

Examples:

Materials, Equipment, Supplies

Pumps

Pipes

Meters

Vehicles

Safety Equipment

Warehouse Stock

Office Furniture

***These example lists are not all inclusive.**

3.1 Procedure check sheet for purchases from approved Vendor List or Purchasing Roster:
\$40,000 - \$50,000

		Completed
STEP 1:	Determine purchasing need and document need including specifics on Written Quote Form (See Form in Appendix B).	<input type="checkbox"/>
1.1:	Note estimated scope and nature of the materials and/or equipment	
STEP 2:	Obtain purchase approval from the Board of Commissioners to initiate purchase.	<input type="checkbox"/>
STEP 3:	Obtain written quotes from at least three (3) vendors from the District's approved Vendor Roster.	
3.1:	Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form.	<input type="checkbox"/>
3.2:	Note the Purchasing Roster used on the Quote Form.	
3.3:	Complete form information from quotes and attach quotes to form.	
3.4:	If there are not 3 vendors available, fewer quotes are OK.	
STEP 4:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
4.1:	All bids can be rejected for good cause by the Board of Commissioners. If this happens, the process must be restarted.	
STEP 5:	Enter into contact. All contracts must be approved by the Board of Commissioners.	<input type="checkbox"/>
STEP 6:	Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 7:	Bid quotes are public record and must be open to public inspection and available to the public by telephone inquiry.	<input type="checkbox"/>
STEP 8:	Follow District procedures for payment for purchased item(s).	<input type="checkbox"/>

3.2 Regulatory Requirements – Vendor List or Purchasing Roster: \$40,000 - \$50,000

The Vendor List Purchasing Process may be used as an alternative to the competitive sealed bid process to award contracts for the purchase of any materials, equipment, or supplies and meeting the criteria in the Limits section below.

A. LIMITS

RECOMMENDED FOR:

Equipment/Supplies/Materials Estimated Cost >\$40,000 and <\$50,000

ALLOWED FOR:

Equipment/Supplies/Materials Estimated Cost <\$40,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds; and
5. Public works in the event of an emergency.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

Bid Format	Quotes: Written From: Approved Vendor List (HPWSD) or Approved Roster (i.e. State Bid, etc.)
Public Notice	Not Required
Bid Opening Format	N/A
Bid Recording	Required
Late Bids	Not allowed
Award Procedure	Lowest Responsible Bidder
Written Contract	Required
Small Works Process	N/A
Bid Bond	N/A
Performance Bond	N/A
5% Retainage	N/A
Maintenance Guaranty	Not Required (recommended when no warranty)
Prevailing Wage Affidavit	N/A
Intent to Pay Prevailing Wage	N/A

D. QUOTE PROCESS

a. INVITATION FOR QUOTES

Invitations for quotes shall contain, at a minimum, the following:

1. Estimate of the scope and nature of the materials and equipment.
2. Quotes shall be solicited, whenever possible, from at least three (3) vendors from the approved roster.

b. PUBLIC NOTICE

Not Required

c. QUOTE RECEIPT

Quotes may be received via written document.

d. QUOTE EVALUATION

The Contract shall be awarded to the lowest responsible bidder.

e. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and re-advertise.

f. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

g. DISCLOSING INFORMATION

Immediately after an award of a contract is made, the District's manager shall record the quotations obtained for the contract, and shall make the bid quotations open to public inspection and available to the public by telephone inquiry.

Section 4. Small Purchases and Work

This Section can be used for the purchase of any materials, equipment, supplies when the cost of the purchase (single item) is between \$0 - \$40,000; or for work when the cost of the work is between \$0 - \$35,000.

Examples:

Materials, Equipment, Supplies	Work ³
Pumps	Equipment Repair
Pipes	Concrete Work
Meters	Sewer TV Service
Safety Equipment	Printing
Warehouse Stock	Electrical
Personal Protective Equipment	Construction
Stationary	Mechanical
Office Supplies	Plumbing
Office Furniture	

***These example lists are not all inclusive.**

There are no statutory requirements regulating purchases under \$40,000 or projects under \$50,000⁴ with the exception of the Labor and Industries requirements for work performed (Prevailing Wage Law⁵) and bond and retainage requirements. Contracts are not required for purchases under \$40,000. The guidelines following are District developed guidelines and can be changed using the appropriate process for modification of procedures and guidelines.

Follow the steps in the sub-section below that meets the estimated purchase cost for a single item or project cost for work.

	Small Work Project	Small Purchases
Section 4.1	Estimated Cost: \$0 - \$2,500	Estimated Cost: \$0 - \$2,500
Section 4.2	Estimated Cost : \$2,501 - \$9,999	Estimated Cost : \$2,501 - \$9,999
Section 4.3	Estimated Cost: \$10,000 - \$34,999	Estimated Cost: \$10,000 - \$39,999

³ All work performed for the District must comply with the Prevailing Wage Law.

⁴ RCW 57.08.050 states that all work ordered, the estimated cost of which is in excess of \$50,000, shall be let by contract and competitive bidding, however the District has adopted the Small Works Roster Process for any public works projects in excess of \$35,000.

⁵ All work performed by contract, including maintenance work, must comply with the Prevailing Wage Law.

4.1 Procedure check sheet for small purchases and work: \$0 - \$2,500
 No contract is required for this size of purchase or project.

		Completed
STEP 1:	Determine purchasing need.	<input type="checkbox"/>
STEP 2:	Obtain purchase approval from the General Manager or Board of Commissioners (if necessary) to initiate purchase.	<input type="checkbox"/>
2.1:	Note: Board of Commissioners must approve all purchases or work estimated to cost over \$1,500.	
STEP 3:	Is this a purchase of materials(s), equipment, or supplies(s); or for work to be done? WORK: ALL work performed by an outside contractor must comply with the Prevailing Wage requirements. When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor (verbally or in writing) that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
STEP 4:	Purchase Item or schedule work. No contract is required. WORK: Complete the top portion of the Combined Intent/Affidavit Form for Small Works under \$2,500 and give to the contractor. Alternatively, the contractor may provide a separate "Intent to Pay Prevailing Wages" form approved by L&I	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 6 Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. PURCHASE PROCEDURE COMPLETE	<input type="checkbox"/>
STEP 6:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>
STEP 7:	When job is finished, obtain the combined Intent/Affidavit form. Alternatively, if the contractor supplied a separate "Intent" form, obtain an "Affidavit of Wages Paid" that has been approved by the Department of Labor & Industries, Industrial Statistician.	<input type="checkbox"/>
STEP 8:	Follow District procedures for payment for work completed.	<input type="checkbox"/>

4.2 Procedure check sheet for small purchases and work: \$2,500 - \$9,999
 No contract is required for this size of purchase or project.

	Completed
STEP 1: Determine purchasing need and document need including specifics on Written Quote Form (See Form in Appendix B).	<input type="checkbox"/>
STEP 2: Obtain purchase approval from the Board of Commissioners.	<input type="checkbox"/>
STEP 3: Is this a purchase of materials(s), equipment, or supplies(s); or for work to be done? WORK: ALL work performed by an outside contractor must comply with the Prevailing Wage requirements.	<input type="checkbox"/>
STEP 4: Determine purchasing method. WORK: When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor (verbally or in writing) that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
Alternate 1: Is item to be purchased, or work to be done, available under a contract already established between the District and a specific vendor? If yes, continue following Alternate 1 steps. If no, skip to next alternate.	<input type="checkbox"/>
1.1: Note Contract Number on Written Quote Form.	<input type="checkbox"/>
1.2: Obtain written confirmation of purchase price or job cost and note confirmation information on Written Quote Form. Also note quoted purchase price on Form.	<input type="checkbox"/>
1.3: Obtain approval from Board of Commissioners to make purchase from this process.	<input type="checkbox"/>
Alternate 2: Is the item to be purchased, or work to be done, available from a Vendor/Contractor authorized under state contract? If yes, continue following Alternate 2 steps. If no, skip to next alternate.	<input type="checkbox"/>
2.1: Note State Contract Number on Written Quote Form.	<input type="checkbox"/>
2.2: Obtain written or electronic (on-line pricing acceptable) confirmation of purchase price from authorized vendor/contractor under State Contract. Note price(s) on Form.	<input type="checkbox"/>
2.3: Obtain approval from Board of Commissioners to make purchase from this process. If more than one quote was obtained, make purchase recommendation.	<input type="checkbox"/>
Alternate 3: Is the item to be purchased, or work to be done, available from a Vendor on the District's approved vendor list or a contractor on the Small Works Roster? If yes, continue following Alternate 3 steps. If no, skip to next alternate.	<input type="checkbox"/>
3.1: Complete top portion of the Written Quote form.	<input type="checkbox"/>

3.2:	Obtain at least one written quote (multiple quotes, if possible) from vendors/contractors from the appropriate approved list. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes.	<input type="checkbox"/>
3.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
3.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
Alternate 4:	If no Alternates above apply, make the purchase, or hire the work, using the following steps.	<input type="checkbox"/>
4.1:	Complete top portion of the Written Quote form.	<input type="checkbox"/>
4.2:	Obtain at least one written quote (multiple quotes, if possible) from vendors/contractors that supply the item(s) or perform work required. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes.	<input type="checkbox"/>
4.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote. Give priority to local vendors whenever feasible.	<input type="checkbox"/>
4.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 7 Material(s), Equipment, Supplies Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 6:	Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. DONE	<input type="checkbox"/>
STEP 7:	WORK: Fill out the top section of the Combined Intent/Affidavit for Small Public Works (\$2,500 to \$35,000) form and give to the contractor. Alternatively, obtain a separate "Statement of Intent to Pay Prevailing Wages" that has been approved by the Department of Labor & Industries, Industrial Statistician. This should be provided by the Contractor and can also be found on the L&I Web Site.	<input type="checkbox"/>
STEP 8:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>
STEP 9:	When job is finished, obtain the Combined Intent/Affidavit form and the \$80 filing fee (made payable to the Dept. of Labor & Industries) from the contractor. Alternatively, obtain a separate "Affidavit of Wages Paid" that has been approved by L&I Industrial Statistician.	<input type="checkbox"/>
STEP 10:	Follow District procedures for payment for work completed.	<input type="checkbox"/>

4.3 Procedure check sheet for small purchases \$10,000 - \$39,999; and work: \$10,000 - \$34,999

	Completed
STEP 1: Determine purchasing need and document need including specifics on Written Quote Form (See Form in Appendix B).	<input type="checkbox"/>
STEP 2: Obtain purchase approval from Board of Commissioners to initiate purchase.	<input type="checkbox"/>
STEP 3: Is this a purchase of material(s), equipment, or supplies; or for work to be done? WORK: ALL work performed by an outside contractor must comply with the Prevailing Wage requirements.	<input type="checkbox"/>
STEP 4: Determine purchasing method. WORK: When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
Alternate 1: Is item to be purchased, or work to be done, available under a contract already established between the District and a specific vendor? If yes, continue following Alternate 1 steps. If no, skip to next alternate.	<input type="checkbox"/>
1.1: Note Contract Number on Written Quote Form.	<input type="checkbox"/>
1.2: Obtain written confirmation of purchase price or job cost and attach confirmation information to Written Quote Form. Also note quoted purchase price on Form.	<input type="checkbox"/>
1.3: Obtain approval from Board of Commissioners to make purchase under this process.	<input type="checkbox"/>
Alternate 2: Is the item to be purchased, or work to be done, available from a Vendor/Contractor authorized under state contract? If yes, continue following Alternate 2 steps. If no, skip to next alternate.	<input type="checkbox"/>
2.1: Note State Contract Number on Written Quote Form.	<input type="checkbox"/>
2.2: Obtain written confirmation of purchase price from authorized vendor/contractor under State Contract. Attach to Written Quote Form and note quoted purchase price(s) on Form.	<input type="checkbox"/>
2.3: Obtain approval from Board of Commissioners to make purchase under this process. If more than one quote was obtained, make purchase recommendation.	<input type="checkbox"/>
Alternate 3: Is the item to be purchased, or work to be done, available from a Vendor on the District's approved vendor list or a contractor on the Small Works Roster? If yes, continue following Alternate 3 steps. If no, skip to next alternate.	<input type="checkbox"/>
3.1: Complete top portion of the Written Quote form.	<input type="checkbox"/>
3.2: Make every effort to obtain written quotes from a minimum of 3 vendors/contractors from the appropriate approved list. Document	<input type="checkbox"/>

	all vendors contacted to solicit quotes. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes and attach quotes to form.	
3.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
3.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
Alternate 4:	If no Alternates above apply, make the purchase, or hire the work, using the following steps.	<input type="checkbox"/>
4.1:	Complete top portion of the Written Quote form.	<input type="checkbox"/>
4.2:	Make every effort to obtain written quotes from a minimum of 3 vendors/contractors that supply the item(s) or perform work required. Document all vendors contacted to solicit quotes. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes and attach quotes to form.	<input type="checkbox"/>
4.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote. Give priority to local vendors whenever feasible.	<input type="checkbox"/>
4.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 7 Material(s), Equipment, Supplies Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 6:	Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. DONE	<input type="checkbox"/>
STEP 7:	WORK: Obtain a “Statement of Intent to Pay Prevailing Wages” that has been approved by the L&I Industrial Statistician. This should be provided by the Contractor and can also be found on the L&I Web Site.	<input type="checkbox"/>
STEP 8:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>
STEP 9:	When job is finished, and before payment is made, obtain an “Affidavit of Wages Paid” that has been approved by the L&I Industrial Statistician.	<input type="checkbox"/>
STEP 10:	Follow District procedures for payment for work completed.	<input type="checkbox"/>

4.4 Regulatory Requirements - Small Purchases \$0 - \$40,000 and Work; \$0 - \$35,000
 These guidelines can be used for the purchase of any materials, equipment, supplies, or work when the purchase meets the criteria in the Limits section below.

A. LIMITS

REQUIRED FOR:

Public Work	Estimated Cost	<\$35,000
Equipment/Supplies/Materials	Estimated Cost	<\$40,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds; and
5. Public works in the event of an emergency.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

There are no statutory requirements regulating purchases under \$40,000 or projects under \$35,000⁶ with the exception of the Labor and Industries requirements for work performed (Prevailing Wage Law⁷). Contracts are not required for purchases under \$40,000.

a. REQUIREMENT REFERENCE CHART

	\$0-\$2,500 Section 4.1, 4.4E	\$2,501-\$9,999 Section 4.2, 4.4F	Work \$10,000-\$34,999 Purchases \$10,000-\$39,000 Section 4.3, 4.4G
Bid Format	Not Required	Written Quotes	Written Quotes
Public Notice	N/A		
Bid Opening Format	N/A		
Bid Recording	N/A		
Late Bids	N/A		
Award Procedure	N/A		
Written Contract	Allowed		
Small Works Process	Allowed		
Bid Bond	Allowed		
Performance Bond	Optional		
5% Retainage	Optional		

⁶ RCW 57.08.050 states that all work ordered, the estimated cost of which is in excess of \$50,000, shall be let by contract and competitive bidding, however the District has adopted the Small Works Roster Process for any public works projects in excess of \$35,000

⁷ All work performed by contract, including maintenance work, must comply with the Prevailing Wage Law.

Maintenance Guaranty	N/A
Prevailing Wage Affidavit	Required for Work ⁸
Intent to Pay Prevailing Wage	Required for Work ⁹

D. QUOTE PROCESS

a. INVITATION FOR QUOTES

Invitations for quotes shall contain, at a minimum, the following:

1. Estimate of the scope and nature of the materials and equipment.
2. Quotes shall be solicited, whenever possible, from at least three (3) vendors.

b. PUBLIC NOTICE

Not Required

c. QUOTE RECEIPT

Quotes may be received via written document including electronic document or telephone based on requirements in sections 4.1 through 4.3.

d. QUOTE EVALUATION

The purchase or agreement shall be awarded to the lowest responsible bidder. Quote amounts should include taxes, shipping, and handling.

e. DISCLOSING INFORMATION

No specific disclosure of purchases under this section is required.

E. PURCHASES OR WORK: \$0 - \$2,500

For single individual items <\$2,500, including taxes.

a. Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval from General Manager. Board of Commissioners must approve all purchases estimated to cost more than \$1,500.
3. Purchase item.
 - i. Check to see if purchase of item(s) is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.
 - ii. Check to see if purchase of item(s) is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.

⁸ For contracts under \$10,000, the Intent and Affidavit may be combined and sent to Department of Labor & Industries after contract completion.

⁹ See Footnote 9 above.

- iii. Check to see if purchase of item(s) is available from a Vendor on the District's approved vendor list. If yes, make the purchase from the approved vendor.
 - iv. If no options above are available, purchase item from vendor that supplies needed item. Give priority to local vendors when feasible.
4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is "Public Work" or "Ordinary Maintenance".

Work that is classified as "Ordinary Maintenance" is an exception to the statutory definition of "Public Work" (RCW 39.04.010). For work to be classified as "Ordinary Maintenance", it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹⁰

It is possible for work to be performed that is not classified as "Public Work" but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

F. PURCHASES OR WORK: \$2,501 - \$9,999

For single individual items \$2,501 - \$9,999, including taxes.

a. Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval from Board of Commissioners.
3. Purchase item.
 - i. Check to see if the item(s) to be purchased is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.
 - ii. Check to see if the item(s) to be purchased is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.
 - iii. Check to see if the item(s) to be purchased is available from a Vendor on the District's approved vendor list. If yes, make the purchase from the approved vendor using following process.
 1. Obtain at least one written quote (multiple quotes, if possible) from vendors from the approved Vendor list.

¹⁰ See WAC 296-127-010(7)(b)(iii) for the definition of "Ordinary Maintenance" in the context of prevailing wages.

2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
3. Make purchase from approved vendor.
- iv. If no options above are available, purchase item from vendor that supplies needed item.
 1. Obtain at least one written quote (multiple quotes, if possible) from vendors that supply the item required.
 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 3. Give priority to local vendors when feasible.
 4. Make purchase from approved vendor.
4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is “Public Work” or “Ordinary Maintenance”.

Work that is classified as “Ordinary Maintenance” is an exception to the statutory definition of “Public Work” (RCW 39.04.010). For work to be classified as “Ordinary Maintenance”, it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹¹

It is possible for work to be performed that is not classified as “Public Work” but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

G. PURCHASES \$10,000 - \$39,999 OR WORK \$10,000 - \$34,999

For the purchase of single individual items, or lots of like items, \$10,000- \$39,999, including taxes or a work project \$10,000 - \$34,000. Every attempt should be made to ensure that these items are included in the District’s annual budget.

a. Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval from Board of Commissioners.
3. Purchase item.
 - i. Check to see if the item(s) to be purchased is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.

¹¹ See WAC 296-127-010(7)(b)(iii) for the definition of “Ordinary Maintenance” in the context of prevailing wages.

- ii. Check to see if the item(s) to be purchased is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.
 - iii. Check to see if the item(s) to be purchased is available from a Vendor on the District's approved vendor list. If yes, make the purchase from the approved vendor using following process.
 - 1. Make every effort to obtain written quotes from a minimum of 3 vendors/contractors that supply the item(s) or perform work required. Document all vendors contacted to solicit quotes. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 - 2. Make purchase from approved vendor.
 - iv. If no options above are available, purchase item from vendor that supplies needed item.
 - 1. Make every effort to obtain written quotes from a minimum of 3 vendors/contractors that supply the item(s) or perform work required. Document all vendors contacted to solicit quotes.
 - 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 - 3. Give priority to local vendors when feasible.
 - 4. Make purchase from approved vendor.
4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is "Public Work" or "Ordinary Maintenance".

Work that is classified as "Ordinary Maintenance" is an exception to the statutory definition of "Public Work" (RCW 39.04.010). For work to be classified as "Ordinary Maintenance", it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹²

It is possible for work to be performed that is not classified as "Public Work" but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

¹² See WAC 296-127-010(7)(b)(iii) for the definition of "Ordinary Maintenance" in the context of prevailing wages.

Section 5. Electronic Data Processing and Telecommunications Systems – RCW 39.04.270

This Section should be used for the acquisition of electronic data process or telecommunication equipment, software, or services. The unique aspects of electronic data processing and telecommunications systems and the importance of these systems for effective administration warrant separate acquisition authority. It is the intent that staff utilizes an acquisition method that is both competitive and compatible with the needs of the District. State statute allows both the competitive bid process and competitive negotiation process for these types of purchases.

Examples:

<u>Electronic Data Processing</u>	<u>Telecommunications Systems</u>
Computer Software Applications	Telecommunications Software
Computer Services	Telecommunications Services
Computer Equipment	Telecommunications Equipment

***These example lists are not all inclusive.**

5.1 Procedure check sheet for Competitive Negotiation Process for the purchase of Electronic Data Processing and Telecommunications Systems

		Completed
STEP 1:	Determine purchasing need.	
1.1:	Prepare Request for Proposal (RFP). RFP must include: <ul style="list-style-type: none"> ▪ Estimated scope and nature needed equipment and/or system. ▪ Identify significant evaluation factors and their relative importance. Price may be one of the factors. 	<input type="checkbox"/>
STEP 2:	Obtain approval from the Board to initiate RFP process.	<input type="checkbox"/>
STEP 3:	Determine "Qualified Sources"	<input type="checkbox"/>
STEP 4:	Submit RFP to Qualified Sources	
4.1:	RFP shall be submitted to an adequate number of qualified sources to permit reasonable competition for the procurement process. "Adequate number of qualified sources" is at the District's discretion.	<input type="checkbox"/>
STEP 5:	Publish advertisement notice in newspaper(s).	
5.1:	Daily Journal of Commerce	
5.2:	Shelton Mason County Journal <ul style="list-style-type: none"> ▪ Publishing must occur at least thirteen (13) days before the submittal deadline. ▪ Must be published a minimum of one (1) time. 	<input type="checkbox"/>
STEP 6:	RFP Evaluation Process	
6.1:	Develop RFP evaluation criteria for technical evaluation of the proposals received.	
6.2:	Compile Evaluation Results	
6.3:	Interview respondents if desired <ul style="list-style-type: none"> ▪ Award shall be made to the qualified bidder whose proposal is "most advantageous" to the District with price and other factors considered. 	<input type="checkbox"/>
6.4:	Make award recommendation to Board	
STEP 7:	Negotiate final pricing and contract document language with selected vendor if appropriate.	<input type="checkbox"/>
STEP 8:	Obtain approval from Board for purchase.	
8.1:	Any and all proposals can be rejected for good cause by the Board of Commissioners.	<input type="checkbox"/>
<i>For Purchases of Materials, Software, Equipment, etc.</i>		
STEP 9:	Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 10:	Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc.	<input type="checkbox"/>
<i>For Projects requiring Work to be performed by outside contractors</i>		
STEP 9:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 10:	Obtain Board Authorization to award contract	<input type="checkbox"/>

STEP 11:	<p>Send “Notice of Award” to selected Vendor. Notice of Award shall including:</p> <ul style="list-style-type: none"> ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. ▪ Requirement for contractor to provide all insurance information. <p>NOTE: Keep copy of original bid and contract document in project file.</p>	<input type="checkbox"/>
STEP 12:	<p>Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (Vendor & District) sign both original contract documents. One executed copy is returned to the Vendor, One executed copy is kept in the contract files in the vault.</p>	<input type="checkbox"/>
STEP 13:	Issue “Notice to Proceed”.	<input type="checkbox"/>
STEP 14:	Schedule Pre-Construction meeting with Vendor if applicable.	<input type="checkbox"/>
STEP 15:	<p>Review the project file for completeness. The file must contain, at a minimum, the following:</p> <ul style="list-style-type: none"> ▪ Board Authorization to Advertise ▪ Advertisement ▪ Payments for Advertisement ▪ Addendums and associated correspondence related to addendums ▪ Bid opening Bid Tab Sheets ▪ All bids received ▪ Engineers recommendation and certified bid tab ▪ Board “Authorization to Award” memo ▪ Award Letter ▪ Board “Authorization for Contract Execution” and “Notice to Proceed” ▪ Bid Bond return letters. 	<input type="checkbox"/>
STEP 16:	Follow District procedures and contract requirements for payment for the contract services.	<input type="checkbox"/>

5.2 Regulatory Requirements - Competitive Negotiation Process for the purchase of Electronic Data Processing and Telecommunications Systems

These guidelines should be used for the acquisition of electronic data process or telecommunication equipment, software, or services. The unique aspects of electronic data processing and telecommunications systems and the importance of these systems for effective administration warrant separate acquisition authority. It is the intent that staff utilizes an acquisition method that is both competitive and compatible with the needs of the District. State statute allows both the competitive bid process and competitive negotiation process for these types of purchases.

A. LIMITS

N/A

B. EXCEPTIONS

N/A

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

Bid Format	Competitive Bid or Competitive Negotiation
Public Notice	Required
Bid Opening Format	N/A
Bid Recording	Required
Late Bids	Not allowed
Award Procedure	Most advantageous, qualified bidder
Written Contract	Required
Small Works Process	N/A
Bid Bond	Optional
Performance Bond	Optional
5% Retainage	Required
Maintenance Guaranty	Recommended
Prevailing Wage Affidavit	Required when Public Work part of contract
Intent to Pay Prevailing Wage	Required when Public Work part of contract

D. COMPETITIVE BID PROCESS

Follow procedures in Sections above based on estimated cost of purchase or project.

E. COMPETITIVE NEGOTIATION PROCESS

a. REQUESTS FOR PROPOSALS

Requests for proposals shall contain, at a minimum, the following:

1. Estimate of the scope and nature of project, equipment, etc.

2. Identify significant evaluation factors, including price, and their relative importance.
3. Proposals shall be solicited, whenever possible, from at least three (3) qualified sources.

b. PUBLIC NOTICE

Notice of the request for the proposal must be published in a newspaper of general circulation at least 13 days before the last date upon which proposals will be received.

c. QUOTE RECEIPT

Quotes may be received via written document.

d. QUOTE EVALUATION

The District shall provide reasonable procedures for technical evaluation of the proposals received, identification of qualified sources, and selection for awarding the contract. The Contract shall be awarded to the qualified bidder whose proposal is most advantageous to the District with price and other factors considered.

e. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and request new proposals.

f. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

g. DISCLOSING INFORMATION

N/A

Section 6. Purchases at Auction – RCW 39.30.045

The District may purchase any supplies, equipment, or materials at auctions, when the item(s) can be obtained at a competitive price, conducted by the following:

- United States Government, or any Federal Agency
- State of Washington, or any State Agency
- Any Municipality or other Government Agency
- Any Private Party

Section 7. Competitive Bidding Requirements - Exceptions

The following are situations where exemptions to competitive bidding requirements can be utilized when awarding contracts for public works and contracts for purchases.

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

- Purchases that are clearly and legitimately limited to a single source of supply;
- Purchases involving special facilities or market conditions;
- Purchases in the event of an emergency;
- Purchases of insurance or bonds;
- Public works in the event of an emergency;

Additionally, the following situations are covered under other regulations as noted:

- When Authorized to use alternative public work contracting procedures under RCW 39.10; or
- Pollution Control Project qualified under RCW 70.95A.

7.1 Purchases that are clearly and legitimately limited to a single source of supply

A “single source of supply” means that only one supplier (source), to the best of the requester’s knowledge and belief, based upon thorough research, is capable of delivering the required product. There are instances where products are truly “sole-source”, but they are few and far between. If there is a way to draft the specifications so that more than one respondent can reply, it is not a sole source situation. The following guidelines¹³ can be used to determine if it is a sole source situation:

1. The District has conducted a screening process whereby it can justify purchase of a specific product;
2. It can draft legitimate specifications, to which only one vendor can successfully respond;
3. The product is available only through one manufacturer (or distributor, and the manufacturer so certifies); and
4. The vendor certifies that the District is getting the lowest price it offers anyone.

Similar types of products may exist, but only one supplier, for reasons of expertise, and/or standardization, quality, compatibility with existing equipment, specifications, or availability, is the only source that is acceptable to meet a specific need.

7.2 Purchases involving special facilities or market conditions

See Section 7.1 above¹⁴

7.3 Purchases in the event of an emergency

Purchases during an emergency situation can be made without competitive bidding. This requires the following steps:

- Emergency Declaration by the Board of Commissioners or designee

¹³ Guidelines from *The Bidding Book*

¹⁴ Consult with the District’s attorney and the auditor prior to utilizing this exception.

- Disclosure of all contracts awarded without competitive bidding due to an emergency

7.4 Purchases of Insurance or Bonds

Purchase of all insurance, fidelity and surety bonds and notary public commissions for the District is the responsibility of the General Manager or his Designee.

7.5 Public Works in the Event of an Emergency

Work needed during an emergency situation can be made without competitive bidding. This requires the following steps:

- Emergency Declaration by the Board of Commissioners or designee
- Disclosure of all contracts awarded without competitive bidding due to an emergency

7.6 Using Alternative Public Works Contracting Procedures under RCW 39.10

These processes include design-build, general contractor/construction manager, and job order contracting procedures authorized by state statute. This manual does not cover these contracting procedures. The District would be required to go through a qualifying procedure to gain state authority prior to utilizing this process.

7.7 Pollution Control Projects Qualified under RCW 70.95A

This process provides an additional means to provide for financing, development, and operation of water pollution control facilities needed for achievement of state and federal water pollution control requirements for the protection of the state's waters. This manual does not cover this procedure.

7.1.1

Regulatory Requirements – Competitive Bidding Exemptions

A. Purchases that are clearly and legitimately limited to a single source of supply

a. JUSTIFICATION REQUIREMENTS & DOCUMENTATION

Sole Source acquisitions must be fully justified and documented to include at a minimum:

1. Market Survey Discussion
Reasonable effort must be used to ensure that competition is not feasible. This may be accomplished by written or telephone contacts with knowledgeable experts regarding similar or duplicate requirements. If only one source is identified as a result of the market research, this fact may be used to justify a noncompetitive acquisition.
2. Supporting Documentation
 - a. A description of the supplies or work required.
 - b. A description of the circumstances permitting other than full and open competition.
 - c. A description of how the nature of the acquisition or the proposed contractor's unique qualifications is consistent with the circumstances permitting other than full and open competition. If a unique capability is required, the justification should include a description of the way in which the source or the product is uniquely qualified to meet the District's needs such as: Facilities or specialized equipment; patents, data copyrights; or availability of technical data and other information, including drawings and specifications.
 - d. A description of efforts made to ensure that quotes are solicited from as many potential sources as practicable.
 - e. A determination of the market survey and the results.
 - f. A listing of the sources that expressed an interest in the acquisition during the conduct of a market survey.
 - g. Certification that the justification is accurate and complete to the best of the purchaser's knowledge and belief.

b. TYPICAL TYPES OF SOLE SOURCE PURCHASES

One of a kind – The product has no competitive product and is available from only one supplier.

- Proprietary/patented products. A one of a kind product which has essential unique design/performance features providing superior utility not obtainable from similar products.
- Used goods.

Compatibility – The product must match an existing brand of equipment for compatibility and is available from only one supplier.

- Products that are an integral repair part or accessory compatible with existing equipment.
- Products that, although not an integral repair part or accessory, must be compatible with existing equipment, systems or substantial parts inventory and compatibility is the overriding consideration.
- Products which match existing equipment.
- Item standardization: Requirements have been standardized.
- Equipment that include a part(s), which must meet a set of specifications.

Replacement Part – The product is a replacement part for a specific brand of existing equipment and is available from only one supplier.

- Components or replacement parts for which there is no commercially available substitute.
- Warranty required service and/or parts.

Delivery Date – Only one supplier can meet necessary delivery requirements. Delivery by a specific date is essential for the completion of a task or project. Delays would cause an extreme increase in cost or detriment to the District.

Project or Research Continuity – The product must comply with established standards and is available from only one supplier. Changing brands or manufacturers would compromise the continuity of the project.

- A product, equipment, part, service or supplier that, due to technically constraining factors associated with a project or research, are needed to ensure the fairness and validity of the underlying project or research.
- The requested product is being used in ongoing experiments and use of another product could cast doubt on research results.
- Other investigators have used a specific product in similar research and, for compatibility of results, the same product is essential.
- Products for instructional use. The product is to be used in an instructional setting and the intent is to provide instruction on the specific product or diversity of products.

Unique Design – The product must meet physical design or quality requirements or demonstrates a unique capability to provide a particular function and is available from only one supplier.

- Products that have specific features essential for the completion of a task or project.
- Products with physical design characteristics, which satisfy aesthetic requirements.
- Products where it is practical to match existing equipment, e.g. office furniture.

Unique and innovative concept – A service that demonstrates a unique and innovative concept or, demonstrates a unique capability of the source to provide

the particular work requested or proposed. In this context, the term does not mean that the source has the sole capability of performing the service. It is the approach that is unique.

A service is considered unique and innovative when:

- It is the product of original thinking submitted by a single source;
- Contains new, novel, or changed concepts, approaches, or methods;
- Was not submitted previously by another; and
- Is not otherwise available within the District.

Requirement by funding source – A product that is specifically and clearly required by a lender, grantor (such as a Federal government) or other provider of funds where the usage of those funds is specifically, explicitly, and clearly restricted by the lender, grantor, or other provider.

Legal Monopoly – Circumstances may dictate that only one supplier can furnish the service such as utility services.

- Public utility services, such as electricity, from natural or regulated monopolies.

Authorized service provider –

- A specific service provider is required by previous contract.
- A specific service provider is required by a warranty.

B. Purchases in the event of an emergency

Purchases during an emergency situation can be made without competitive bidding when the following procedures are followed. See the Glossary for the definition of emergency.

a. EMERGENCY DECLARATION

When an emergency situation exists, the Board of Commissioners (or their designee) may declare an emergency, waive competitive bidding requirements, and award all necessary contracts on behalf of the District to address the emergency situation. See Appendix for sample Resolution and Contract.

b. DISCLOSING INFORMATION

If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the Board of Commissioners or General Manager and duly entered into record no later than two weeks following the award of the contract.

C. Public works in the event of an emergency;

Work during an emergency situation can be made without competitive bidding when the following procedures are followed. See the Glossary for the definition of emergency.

a. EMERGENCY DECLARATION

When an emergency situation exists, the Board of Commissioners (or their designee) may declare an emergency, waive competitive bidding requirements,

and award all necessary contracts on behalf of the District to address the emergency situation.

b. DISCLOSING INFORMATION

If a contract is awarded without competitive bidding due to an emergency, a written finding of the existence of an emergency must be made by the Board of Commissioners or General Manager and duly entered into record no later than two weeks following the award of the contract.

Section 8. Purchases Exempt from Competition

The following acquisitions are clearly and legitimately limited to a single source of supply or involve special facilities, services, or market conditions and are designated as exempt from competitive bid requirements. The District should use state contracts if available, if no state contracts exist, purchase authority is granted for the following:

8.1.a UTILITIES

Fees, charges, and assessments for public utilities such as garbage, heat, cable TV, power, lights, fire protection, and recycling services.

8.1.b POSTAGE AND POSTAL SERVICE

8.1.c PROFESSIONAL LICENSE AND MEMBERSHIPS

Professional association membership dues or professional licenses required by employer or state law.

8.1.d PUBLICATIONS, SUBSCRIPTIONS AND INFORMATION SERVICE DIRECTORIES

Publications, subscriptions, and information service directories in print or electric format.

8.1.e CONFERENCES AND SEMINARS

- Registration/tuition for conferences and seminars.
- Booth or room rentals, facilities including furnishings and directly related services and materials for public hearings required by agency mission are included.
- Entrance fees to professional management award programs which are determined to be in pursuit of agency mission are also included.

8.1.f MISCELLANEOUS FEES

- Court imposed fees,
- Fees for obtaining records,
- Juries and directly related materials and services,
- Court ordered attorney fees,
- Out of court settlement costs,
- Registration/cancellation fees,
- Transfer fees or other transaction fees,
- Customs and brokerage fees and duties associated with procurement of goods from foreign countries where such costs are not paid by shipper.

8.1.g LEGAL/PROMOTIONAL ADVERTISEMENTS AND AWARDS

- Legal or promotional advertisements cost via public media to include but not limited to newspapers, video, radio, billboards or journals, and
- Prizes or awards materials which are related to the agency mission.

8.1.h ORIGINAL EQUIPMENT MANUFACTURER (OEM) REPAIR SERVICES

OEM repair services and component parts, and technical and maintenance services (including start-ups, training, and testing), and chemical supplies, which can only be obtained from the original equipment manufacturer or regionally authorized single distributor.

8.1.i TECHNICAL INSPECTION

Survey or certification services, and related expenses required for vessels, boilers, vehicles, and related equipment.

8.1.j TRAINING SERVICES

Recurring training for all or most employees

Materials (including training aids and devices) used in presentation of the training.

Routine and ongoing training required for vendors/contractors/consultants to enable them to comply with contractual requirements.

Training provided incidental (10% or less of equipment cost) to the purchase of equipment, but not included in equipment purchase price.

8.1.k PURCHASE FROM AUCTION

Purchases of supplies, equipment, or materials at auctions conducted by a government agency or any private party are allowed without being subject to competitive bidding requirements if the items can be obtained at a competitive price. RCW 39.30.045

Section 9. Contracting for Professional Services - RCW 39.80

All procurement of architectural and engineering services shall be by contract. It is required that the District publicly announce requirements for these types of services and negotiate contracts on the basis of demonstrated competence and qualification for the type of professional service required and at fair and reasonable prices.

RCW 39.80.030 provides two options that may be used to comply with the “Advance publication” requirement for procurement of professional services: (1) Announcing generally to the public its projected requirements for any category or type of professional services (District Resolution 2011-03 adopts the Consultant Roster developed and maintained by MRSC. In addition, paper and/or electronic rosters may be kept on file by the District.); (2) Publishing an announcement on each occasion when professional services provided by a consultant are required by the agency. The District utilizes both methods based on the determination of the Board of Commissioners for each individual project.

Examples:

Professional Services

Architectural Services as defined by RCW 18.08

Engineering Services as defined by RCW 18.43

Land Surveying as defined by RCW 18.43

Landscape Architecture as defined by 18.96

***These example lists are not all inclusive.**

9.1 Procedure check sheet for Procurement for Professional Services:
 Method 1; Select Professional Service Provider from MRSC Consultant Roster

		Completed
STEP 1:	Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
STEP 2:	Obtain Board authorization to obtain requested services.	<input type="checkbox"/>
STEP 3:	Select professional service provider from Professional Services Roster. Roster maintained by MRSC.	<input type="checkbox"/>
STEP 4:	Negotiate Contract for services.	<input type="checkbox"/>
STEP 5:	Prepare two (2) original contract documents for execution by Consultant.	<input type="checkbox"/>
STEP 6:	Obtain two (2) original executed contract documents from the Consultant and have Board authorize contract.	<input type="checkbox"/>
STEP 7:	Contract executed One executed copy is returned to the contractor, One executed copy is kept in the contract files with current insurance certificate.	<input type="checkbox"/>
STEP 8:	Initiate Project.	<input type="checkbox"/>
STEP 9:	Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

9.2 Procedure check sheet for Procurement for Professional Services:
Method 2; Publishing Request for Statements of Qualifications for Professional Services

		Completed
STEP 1:	Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
STEP 2:	Prepare Request for Statement of Qualifications (RFQ)	
STEP 3:	Notify Board of intent to advertise for professional services.	<input type="checkbox"/>
STEP 4:	Publish RFQ notice in newspaper(s). <ul style="list-style-type: none"> ▪ Daily Journal of Commerce ▪ Shelton-Mason County Journal RFQ must include: <ul style="list-style-type: none"> ▪ General scope and nature of the project or work ▪ Contact information including address 	<input type="checkbox"/>
STEP 5:	Determine Evaluation Criteria	<input type="checkbox"/>
STEP 6:	Evaluate Statements of Qualifications submitted by firms.	<input type="checkbox"/>
STEP 7:	Shortlist firms based on evaluation criteria for interviews and conduct interviews <ul style="list-style-type: none"> ▪ Discussions shall be held with one or more firms. ▪ Interviews/Discussions should cover: anticipated concepts and alternative methods of approach for furnishing the required services. ▪ Check References 	<input type="checkbox"/>
STEP 8:	Make selection recommendation <ul style="list-style-type: none"> ▪ The selected firm should be the firm that is deemed to be the “most highly qualified to provide the services required for the proposed project.” 	<input type="checkbox"/>
STEP 9:	Obtain Board authorization to move to contract negotiation with selected firm.	
STEP 10:	Negotiate Contract for services.	<input type="checkbox"/>
STEP 11:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 12:	Enter into contract. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
STEP 13:	Initiate Project.	<input type="checkbox"/>
STEP 14:	Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

9.3 Regulatory Requirements - Procurement for Professional Services

These guidelines shall be used for the procurement of professional services. Procurement of these services shall be by contract. It is required that the District publicly announce requirements for these types of services and negotiate contracts on the basis of demonstrated competence and qualification for the type of professional service required and at fair and reasonable prices.

A. LIMITS

N/A

B. EXCEPTIONS

This process does not need to be followed when the District determines that an emergency requires the immediate execution of the work involved.

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

	Method 1 Section 9.1, 9.3D	Method 2 Section 9.2, 9.3E
Bid Format	Contract Negotiation	Request for Qualifications
Public Notice	Required (Annually)	Required
Bid Opening Format	N/A	N/A
Bid Recording	N/A	N/A
Late Bids	N/A	N/A
Award Procedure	Most highly qualified to provide services	Most highly qualified to provide services
Written Contract	Required	Required
Small Works Process	N/A	N/A
Bid Bond	N/A	N/A
Performance Bond	N/A	N/A
5% Retainage	N/A	N/A
Maintenance Guaranty	N/A	N/A
Prevailing Wage Affidavit	N/A	N/A
Intent to Pay Prevailing Wage	N/A	N/A

D. PROFESSIONAL SERVICES ROSTER PROCESS

a. PROFESSIONAL SERVICES PROVIDER SELECTION

Select a Professional Services provider(s) from the current MRSC roster that meets the need for the desired area of expertise. Consider location and acceptable level of experience when making selection. Staff may choose to consider multiple providers from the roster, and follow Section 9.3 E. C. & D. for selection of services provider.

b. CONTRACT NEGOTIATION

The District shall negotiate a contract with the most qualified firm at a price which the District determines to be fair and reasonable. In making its determination, the District shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof.

If the District is unable to negotiate a satisfactory contract with the firm selected at a price the District determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the District shall select another firm in accordance with Section i. above

c. DECISION TO RE-ADVERTISE OR CANCEL

The Board of Commissioners may reject all proposals for good cause and request new proposals.

d. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

e. DISCLOSING INFORMATION

N/A

E. REQUEST FOR QUALIFICATIONS PROCESS

a. REQUESTS FOR QUALIFICATIONS

Notice for Requests for Qualifications shall contain, at a minimum, the following:

1. The scope and nature of project or work
2. Contact information for District representative including address

b. PUBLIC NOTICE

Notice of the request for the qualifications must be published in advance. The announcement must include, at a minimum: Estimate of the scope and nature of project or work; and Contact information for District representative including address. There are two options available for compliance with this section:

1. Publish an announcement on each occasion when professional services are needed;
2. Publish general announcement stating projected requirements for any category or type of professional service.

c. REQUEST FOR QUALIFICATION RECEIPT

RFQs may be received via any type of documentation preferred by the District.

d. REQUEST FOR QUALIFICATION EVALUATION

The District shall provide reasonable procedures for evaluation of the RFQs received. RFQs evaluated should include those that have been submitted as a result of a specific announcement as well as those submitted under a general announcement when applicable. The evaluation process shall include discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services. Selection shall be made based up on the established criteria and shall be awarded to the firm deemed to be the most highly qualified to provide the services required for the proposed project.

Minority and women-owned firms shall be afforded the maximum practicable opportunity to compete for and obtain public contracts for services. The level of participation by minority and women-owned forms shall be consistent with their general availability within the professional communities involved.

e. CONTRACT NEGOTIATION

The District shall negotiate a contract with the most qualified firm at a price which the District determines to be fair and reasonable. In making its determination, the District shall take into account the estimated value of the services to be rendered as well as the scope, complexity, and professional nature thereof.

If the District is unable to negotiate a satisfactory contract with the firm selected at a price the District determines to be fair and reasonable, negotiations with that firm shall be formally terminated and the District shall select another firm in accordance with above paragraph.

f. DECISION TO RE-ADVERTISE OR CANCEL

The Board of Commissioners may reject all proposals for good cause and request new proposals.

g. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

h. DISCLOSING INFORMATION

N/A

Section 10. Contracting for Personal and Purchased Services

All procurement of personal and purchased services shall be by contract. Competitive solicitation is required for all personal, purchased, and consulting services contracts. Exceptions for this requirement include: Emergency contracts; Sole Source contracts; Contract amendments; Contracts of less than \$5,000; or when it has been determined that a competitive solicitation process is not appropriate or cost-effective.

Personal services involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. Personal services:

- Do not include professional services procured using the competitive selection requirements in Section 9
- May or may not be required in connection with a public works project meeting the definition of “public work” in RCW 39.04.010(4)
- Activity or product is mostly intellectual in nature
- Licenses or certification by state agencies may or may not be required, depending on the type of personal service required.

Purchased services are labor, time and effort provided by an independent contractor for routine, necessary, and continuing functions of the District.

Services are repetitive, routine, or mechanical in nature, as in these examples:

- Following established or standardized procedures
- Contribute to the day-to-day business operations
- Completion of specific assignments and tasks
- Decision-making is routine or perfunctory in nature
- May require payment of prevailing wages

Examples:

Personal Services	Purchased Services
Accounting	Delivery/Courier Service
Locating	Grounds Keeping
Environmental Planning	Herbicide Application Service
Legal Services	Recycling/Disposal/Litter Pickup Service
Management Consulting	Vehicle Inspection, Lubricating, and Repair Service
Quality Assurance	Equipment Maintenance
Rate Study	Operation of a Physical Plant
Research	Security
Scientific Studies	Computer Hardware and Software Maintenance
Statistical Analysis	Data Entry
Strategic Planning	Contract Programming

***These example lists are not all inclusive.**

There are no statutory requirements regulating purchases of personal and purchased services by the District. Procurement for Personal Services and Purchased Services shall be by contract. The

guidelines following are District developed guidelines and can be changed using the appropriate process for modification of procedures and guidelines.

Follow the steps in the sub-section below that meets the estimated purchase/project cost.

Section 10.1	Estimated Cost: \$1 - \$4,999
Section 10.2	Estimated Cost : \$5,000 - \$49,999
Section 10.3	Estimated Cost: \$50,000 or more

10.1 Procedure check sheet for Procurement for Personal and Purchased Services: \$1 - \$4,999

		Completed
STEP 1:	Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
STEP 2:	Telephone bids are optional. If used, contact at least 3 firms, if possible, and document: <ul style="list-style-type: none"> ▪ Requested price ▪ Schedule ▪ Qualifications 	<input type="checkbox"/>
STEP 3:	Select Firm	<input type="checkbox"/>
STEP 4:	Negotiate Contract for services.	<input type="checkbox"/>
STEP 5:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 6:	Obtain General Manager authorization to award contracts up to \$1,500; Obtain Board authorization for contracts above \$1,500.	<input type="checkbox"/>
STEP 7:	Send "Notice of Award" to selected firm. Notice of Award shall include: <ul style="list-style-type: none"> ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. 	<input type="checkbox"/>
STEP 8:	Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files.	<input type="checkbox"/>
STEP 9:	Initiate Project.	<input type="checkbox"/>
STEP 10:	Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

10.2 Procedure check sheet for Procurement for Personal Services: \$5,000 - \$49,999

	Completed
STEP 1: Determine general scope and nature of the project or work for which services are needed. Prepare Request for Qualifications (RFQ) or Request for Proposals (RFP) document including: <ul style="list-style-type: none"> ▪ Description of services required ▪ Project schedule ▪ Request for consultant’s qualifications ▪ Request for costs or fees ▪ Due date for responses ▪ Acceptable method for return of proposal request documents (i.e. fax, email, regular mail) 	<input type="checkbox"/>
STEP 2: Send RFQ/RFP document to a minimum of three (3) firms or individuals. <ul style="list-style-type: none"> ▪ This may be done via fax, email, or regular mail. 	<input type="checkbox"/>
STEP 3: Obtain responses to RFQ/RFP. <ul style="list-style-type: none"> ▪ Responses may be received via fax, email, or regular mail. 	<input type="checkbox"/>
STEP 4: Evaluate responses and select Firm <ul style="list-style-type: none"> ▪ Project file must document the following: Names of firms solicited; copy of solicitation document; copy of bids received; basis for award decision; and copy of the contract. 	<input type="checkbox"/>
STEP 5: Negotiate Contract for services.	<input type="checkbox"/>
STEP 6: Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 7: Obtain Board Authorization to award contract	<input type="checkbox"/>
STEP 8: Send “Notice of Award” to selected firm. Notice of Award shall include: <ul style="list-style-type: none"> ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. 	<input type="checkbox"/>
STEP 9: Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
STEP 10: Initiate Project.	<input type="checkbox"/>
STEP 11: Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

10.3 Procedure check sheet for Procurement for Personal Services: \$50,000 or more

		Completed
STEP 1:	Formal Competition is required: Determine general scope and nature of the project or work for which services are needed.	<input type="checkbox"/>
STEP 2:	Prepare formal solicitation document. This may be in the form of Request for Proposals (RFP) or Request for Qualifications/Quotations (RFQ). The following items should be included: <ul style="list-style-type: none"> ▪ Description of services required ▪ Project schedule ▪ Request for consultant’s qualifications ▪ Request for costs or fees ▪ Due date for responses ▪ Evaluation process ▪ Acceptable method for return of proposal request documents (i.e. fax, email, regular mail) 	<input type="checkbox"/>
STEP 3:	Obtain Board authorization to advertise for bids	<input type="checkbox"/>
STEP 4:	Publish advertisement notice in newspaper(s). <ul style="list-style-type: none"> ▪ Daily Journal of Commerce ▪ Shelton Mason County Journal Post opportunity on District Web Site.	<input type="checkbox"/>
STEP 5:	Issue RFP or RFQ to a minimum of six (6) firms/businesses. If fewer than six (6) firms are contacted, the file must document why. Alternative: Send notices that opportunity is posted on District website.	<input type="checkbox"/>
STEP 6:	RFP/RFQ process <ul style="list-style-type: none"> ▪ Conduct pre-proposal conference if desired ▪ Provide answers to bidder’s questions ▪ Notify of any addendums ▪ Date stamp proposals received 	<input type="checkbox"/>
STEP 7:	Evaluation Process	
7.1:	Develop evaluation criteria for evaluation of the proposals received.	<input type="checkbox"/>
7.2:	Compile Evaluation Results	
7.3:	Interview respondents if desired	
7.4:	Make award recommendation to Board	
STEP 8:	Select Firm: Notify successful and unsuccessful firms.	<input type="checkbox"/>
STEP 9:	Negotiate Contract for services.	
STEP 10:	Make final preparations on two (2) original contract documents for execution.	<input type="checkbox"/>
STEP 11:	Obtain Board Authorization to award contract	<input type="checkbox"/>
STEP 12:	Send “Notice of Award” to selected firm. Notice of Award shall include: <ul style="list-style-type: none"> ▪ Two (2) complete contract documents for signature. These documents must be returned to HPWSD. 	<input type="checkbox"/>

STEP 13:	Enter into contact. All contracts must be approved by the Board of Commissioners. Both parties (contractor & District) sign both original contract documents. One executed copy is returned to the contractor, One executed copy is kept in the contract files in the vault.	<input type="checkbox"/>
STEP 14:	Initiate Project.	<input type="checkbox"/>
STEP 15:	Follow District procedures and contract requirements for payment.	<input type="checkbox"/>

10.4 Regulatory Requirements – Procurement for Personal Services

These guidelines shall be used for the procurement of personal and purchased services. Procurement of these services shall be by contract. It is required that the District publicly announce requirements for these types of services and negotiate contracts on the basis of demonstrated competence and qualification for the type of personal service required and at fair and reasonable prices.

A. LIMITS

N/A

B. EXCEPTIONS

This process does not need to be followed when the District determines that an emergency requires the immediate execution of the work involved.

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

	\$1-\$4,999 Section 10.1	\$5,000-\$49,999 Section 10.2	\$50,000 or More Section 10.3
Bid Format	Not Required	Written Quotes	RFP/RFQ Process
Public Notice	N/A		
Bid Opening Format	N/A		
Bid Recording	N/A		
Late Bids	N/A		
Award Procedure	N/A		
Written Contract	Required		
Small Works Process	Allowed		
Bid Bond	N/A		
Performance Bond	N/A		
5% Retainage	N/A		
Maintenance Guaranty	N/A		
Prevailing Wage Affidavit	May be required		
Intent to Pay Prevailing Wage	May be required		

D. REQUEST FOR QUALIFICATIONS PROCESS

a. REQUESTS FOR QUALIFICATIONS

Requests for qualifications shall contain, at a minimum, the following:

1. Description of services required
2. Contact information for District representative including address
3. Project schedule
4. Request for consultant’s qualifications
5. Request for costs or fees

6. Due date for responses
7. Evaluation process
8. Acceptable method for return of proposal request documents (i.e. fax, email, regular mail)

b. PUBLIC NOTICE

Notice of the request for the qualifications must be published in advance when the project scope is estimated to exceed \$20,000. The announcement must include, at a minimum: Description of services required and Contact information for District representative including address.

c. REQUEST FOR QUALIFICATION RECEIPT

RFP/RFQ submittal requirement varies based on the estimated value of the project scope.

\$1 - \$4,999:	Telephone bids OK
\$5,000 or more:	Written bids required. Fax or email can be used at the discretion of staff.

d. REQUEST FOR QUALIFICATION EVALUATION

The District shall provide reasonable procedures for evaluation of the RFP/RFQs received. Evaluate proposals strictly against criteria set forth in the RFP/RFQ and score. Tabulate scores and determine ranking of proposers. Interviews are not required, but can be used as part of the evaluation process. Determine final scoring and select apparent successful firm.

e. CONTRACT NEGOTIATION

The District shall negotiate a contract with the selected firm. Conduct debriefing conferences with unsuccessful proposers, if requested.

f. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and request new proposals.

g. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

h. DISCLOSING INFORMATION

N/A

Each contract shall be reviewed and evaluated at least every three (3) years, and may be reviewed and evaluated more frequently at the discretion of the Board of Commissioners. The Board of Commissioners may elect to proceed with Requests for Proposals, or may elect to extend or re-negotiate the existing contract for services.

Appendix A - Glossary

Where words or phrases are specifically defined by rule, the rule is noted in the definition. Where a word or phrase has another meaning than defined by rule, it is offered as a secondary definition.

Award	The acceptance of a bid or proposal; the presentation of a purchase agreement or contract to a bidder.
Amendment	For the purposes of a Contract, shall mean an agreement between the parties to change the Contract after it is fully signed by both parties. Such agreement shall be memorialized in a written document describing the agreed upon change including any terms and conditions required to support such change.
Bid	A written offer to perform a contract to purchase or supply goods or services in response to an invitation for bid. WAC 236-48-003
Bid Evaluation	The process of examining a bid after opening to determine the bidder's responsibility, responsiveness to requirements, and to ascertain other characteristics of the bid that relate to determination of the successful bidder.
Bid Opening	The formal process through which bids are opened and the contents revealed for the first time.
Bidder	A supplier who submits a bid, quotation, or proposal WAC 236-48-003
Bidder's Bond	A bid guarantee or performance guarantee as addressed in RCW 43.19.1915, WAC 236-48-035, 236-48-036, and 236-48-003
Competition	The process by which two or more vendors vie to secure the business of a purchaser by offering most favorable terms as to price, quality, delivery and/or service.
Conflict of Interest	A situation where the personal interests of a contractor, public official or employee are, or appear to be, at odds with the best interest of the District.
Contract	All types of agreements, regardless of what they may be called, for the procurements, or disposal, of supplies, services, or construction. Secondary: Contracts for goods and/or services administered by the District which would normally include quantity and fixed term.
Contractor	Individual, company, corporation, firm, or combination thereof with whom purchaser develops a contract for the procurement of goods and/or services. WAC 236-48-003
Cooperative Purchasing	The combining of requirements of two or more political entities to obtain advantages of volume purchases, reduction in administrative expenses or other public benefits.

Design Specification	A type or method of writing a purchase description characterization by detail as to how the product is to be manufactured or work is to be performed. Appropriate for unique product or custom work.
Discount	An allowance or deduction from a normal or list price extended by a seller to a buyer to make the net price more competitive.
Disposition	Transferring, trade-in, selling, or destroying goods that are excess, surplus, or scrap.
Effective Date of Award	The date that performance of the contract shall start.
Emergency	Unforeseen circumstances beyond the control of the District which present a real, immediate, and extreme threat to the proper performance of essential functions or which may reasonably be expected to result in excessive loss or damage to property, bodily injury, or loss of life. RCW 43.19.200(2)
Emergency Purchase	A purchase made pursuant to RCW 43.19.200 in which the normal competitive purchasing procedures have been waived by a declaration of emergency issued by the General Manager or delegate.
Equal	1) An offer of goods and/or services which meet or exceeds the quality, performance and use of the specifications identified in a competitive solicitation. WAC 236-48-003 2) A phrase used to indicate the acceptability of products of similar or superior function, purpose, design and/or performance.
Equipment	Personal property of a durable nature that retains its identity throughout its useful life.
Exclusions	Omit from consideration.
Exemptions	Free from duty or obligation required by others.
Formal sealed bid	A bid that has been submitted in a sealed manner, either manually or electronically, to prevent its contents being revealed or known before the deadline for submission of all bids. Required by statute RCW 43.19.1906 to enhance competition.
Goods and/or services	Materials, supplies, services, and equipment offered for sale by a supplier(s) and required to accomplish continuing and necessary functions and not otherwise statutorily exempt from chapter RCW 43.19. WAC 236-48-003
Invitation for Bid	The solicitation document utilized to solicit bids in the formal, sealed bid procedure and all documents attached or incorporated by reference. WAC 236-48-003
OEM	Original Equipment Manufacturer

HPWSD Purchasing Manual

Date: 09/08/2016

Ordinary Maintenance	Work not performed by contract and that is performed on a regularly scheduled basis (e.g. daily, weekly, monthly, etc. but not less frequently than once per year), to service, check, or replace items that are not broken; or work not performed by contract that is not regularly scheduled but is required to maintain the asset so that repair does not become necessary. WAC 296-127-010(7)(b)(iii)
Personal Services	Professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statement.
Professional Services	Services rendered by any person, other than as an employee of the agency, contracting to perform activities within the scope of the general definition of professional practice in RCW 18.08 (Architects), 18.43 (Engineers and Land Surveyors), 18.96 (Landscape Architects)
Proposal	An offer to perform a contract to supply goods or services in response to a request for proposal. WAC 236-48-003
Public Bid Opening	The process of opening bids conducted at the time and place specified in the Invitation for Bids and/or the advertisement and in the presence of anyone who wishes to attend.
Public Work	All work, construction, alteration, repair or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. All public works, including maintenance when performed by contract shall comply with chapter RCW 39.12. RCW 39.04.010 This includes but is not limited to, demolition, remodeling, renovation, road construction, building construction, and utilities construction.
Purchase	Shall include purchase, lease, renting or lease-purchase of goods and services. WAC 236-48-003
Purchased Service	Labor, time or effort provided by an independent contractor not involving the delivery of a specific end product and is usually awarded through competition. Services provided by a vendor to accomplish routine, continuing, and necessary functions, such as: equipment maintenance and repair, operation of a physical plant, security, computer hardware and software maintenance, data entry, key punch services, contract programming, and analysis. RCW 39.29.006
Purchaser	The authorized user of a contract who may or actually does make purchases of materials, supplies, services, and/or equipment under the contract.
Request for Proposal (RFP)	The form utilized to solicit written proposals from potential suppliers. Both cost and non-cost factors are evaluated in addition to conditions of responsiveness and responsibility to achieve best value. A weighted point assignment method of evaluation may be used if considered appropriate. WAC 236-48-003

HPWSD Purchasing Manual

Date: 09/08/2016

Request for Quotation (RFQ)	<p>1) The form used to solicit written quotations. The request and the quote in response may be either written or oral as specified by the purchasing activity. Factors impacting cost and conditions of responsiveness and responsibility are normally evaluated. Non-cost factors may be evaluated and all factors may be weighted if considered appropriate.</p> <p>2) The required form generally used for seeking competition on smaller purchases or on purchases lower than the amount that requires competitive sealed bidding. See Appendix B.</p>
Responsible Bidder	The ability, capacity, and skill to perform a contract or provide the service required, including, but not limited to the character, integrity, reputation, judgment, experience, and efficiency of the bidder. Further consideration may include, but is not limited to, whether the bidder can perform the contract within the time specified, the quality of performance of previous contracts or services, the previous and existing compliance by the bidder with laws relating to the contract or services and such other information as may be secured having a bearing on the decision to award the contract. A person who has the capability in all respects to perform in full the contract requirements and meets the elements of responsibility as defined.
Responsive Bidder	A person whose bid conforms in all material respects to the terms and conditions, the specifications, and other requirements of the solicitation.
Segmenting	The segmenting of a requirement or project into parts to avoid dollar limitations or competition is prohibited. The parts of an acquisition are those items which would normally be acquired together to accomplish a task or project.
Single Source Purchase	A purchase of goods or services which is clearly and legitimately limited to a single source of supply.
Sole Source	Purchases which are clearly and legitimately limited to a single source of supply and purchases involving special facilities, services, or market conditions, in which instance the purchase price may be best established by direct negotiation.
Solicitation	The process of notifying prospective bidders that the purchasing activity desires to receive competitive bids, quotes, or proposals for the furnishing of goods or services.
Specifications	The explicit requirements furnished with a competitive solicitation upon which a purchase contract is based. Specifications set forth the characteristics of the goods and/or services to be purchased or sold so as to enable the bidder or supplier to determine and understand requirements of the purchaser. Specifications may be in the form of a description of the physical or performance characteristics, a reference brand, or both. It may include a description of any requirement for inspection, testing, or preparing a material, equipment, supplies, or service for delivery.

Subcontract	A person or business that is, or will be, providing or performing an essential aspect of a contract under the direction and responsibility of the Contractor and with the agreement of the District.
Supplier	A vendor of purchased goods and services.
Used Equipment	Goods offered for sale which do not have a full factory warranty and which are not being rented, leased, or otherwise in the actual possession of the District when considering the purchase at the time of the purchase transaction.
Vehicle	A device, as a motor vehicle, boat, airplane, or a piece of mechanized equipment, the transporting passengers, goods, or apparatus.
Vendor	A provider of materials, supplies, services, and/or equipment.

Appendix B – Verbal and Written Quote Forms

Hartstene Pointe Water-Sewer District

Quote Form

Telephone Quotes (\$0-\$2,500); Written Quotes (Work: \$2,501-\$34,999; Purchases (\$2,501-\$39,999))

Item/Work Requested: _____

Replacement or New (R-N)? _____

Brand: _____ Model No: _____

Other Identifying Information: _____

Purpose of Item/Work (Location Used): _____

Supplier/Contractor: _____ Contact Person: _____

Address: _____ Phone: _____

Quote Price (incl. taxes/S&H): _____ Terms: _____

Availability: _____

Additional Information (FOB, warranty, etc.): _____

Supplier/Contractor: _____ Contact Person: _____

Address: _____ Phone: _____

Quote Price (incl. taxes/S&H): _____ Terms: _____

Availability: _____

Additional Information (FOB, warranty, etc.): _____

Supplier/Contractor: _____ Contact Person: _____

Address: _____ Phone: _____

Quote Price (incl. taxes/S&H): _____ Terms: _____

Availability: _____

Additional Information (FOB, warranty, etc.): _____

Person Completing Form, Title: _____ Date: _____

Approved By: _____ Date: _____

Approved Vendor: _____ Date: _____

Budget Line Item: _____ Total: \$ _____

Appendix C - Rosters

Small Works Roster & Roster Procedures

PROCEDURES

Contracts for materials and work may be let in accordance with Title 39.04.155 and as may hereinafter be amended.

The District has contracted with Municipal Research and Services Center of Washington (MRSC) to adopt for the District use those statewide electronic databases for small public works roster and consulting services developed and maintained by MRSC.

Updating the Roster:

At least once a year, on behalf of the District, MRSC shall publish notice of the existence of the roster in a newspaper of general circulation within the District, a notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters. Responsible contractors shall be added to appropriate MRSC Roster(s) at any time that they submit a written request and necessary records. The MRSC Rosters will distinguish between professional architectural and engineering services as defined in RCW 39.80.020 and other consulting services and will announce generally to the public the District's projected requirements for any category or type of professional or other consulting services. The District reserves the right to publish an announcement on each occasion when professional services or other consulting services are required by the agency and to use paper and/or other electronic roster that may be kept on file by the District.

Use of the Roster:

- A. The District's General Manager, or designee, shall secure quotations in accordance with Section 2 of the District Purchasing Manual from contractors on the roster for the appropriate category of work, assure a competitive price and to award contracts to the lowest responsible bidder as defined in RCW 39.04.010. The District's invitation for quotations shall include an estimate of the scope and nature of the work and materials and equipment required.
- B. Immediately after an award of a contract is made, the District's General Manager, or designee, shall record the quotations obtained for the contract, and shall make the bid quotations open to public inspection and available to the public by telephone inquiry.

Listing of Contracts Awarded:

The District must make available a list of the contracts awarded under the above process at least once per year. The list shall identify the contractor awarded the contract; the amount of the contract; a brief description of the work performed under the contract; the date the contract was awarded; and where the bid quotations for these contracts are available for public inspection.

Vendor Roster & Roster Procedures

PROCEDURES

Contracts for materials may be let in accordance with Title 39.04.190.

Vendor List

The District shall establish a vendor list which shall consist of all responsible vendors who have requested to be placed on a list.

Updating the List:

Twice each year, the District's General Manager, or designee, shall publish notice of the existence of the vendor list in a newspaper of general circulation within the District, which shall solicit the names of vendors for the list.

Use of the List:

- A. The District's General Manager, or designee, shall secure quotations in accordance with the procedures in Section 3 of the District Purchasing Manual from the vendors on the list for the appropriate category of materials, to assure a competitive price and to award contracts to the lowest responsible bidder as defined by RCW 39.04.010. The District's invitation for quotations shall include an estimate of the scope and nature of the materials and equipment required. Whenever possible, at least three vendors, as appropriate, shall be invited to submit quotations.
- B. Immediately after an award of a contract is made, the District's General Manager, or designee, shall record the quotations obtained for the contract, and shall make the bid quotations open to public inspection and available to the public by telephone inquiry.

Listing of Contracts Awarded:

Once every two months a list of the contracts awarded under this Resolution shall be posted at the District's office. The list shall identify the vendor awarded the contract, the amount of the contract, the materials or items purchased, the date the contract was awarded and where the bid quotations for these contracts are available for public inspection.

Appendix D – Emergency Templates

Declaration of Emergency Resolution Template

**HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON**

RESOLUTION 20__-__

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
DECLARING AN EMERGENCY, WAIVING COMPETITIVE BIDDING REQUIREMENTS, AND
ORDERING CERTAIN WORK.**

WHEREAS, the Hartstene Pointe Water-Sewer District, a special purpose district, is authorized by RCW 57.08.050 to perform public works after waiving competitive bidding requirements in certain limited circumstances; and

WHEREAS, (state emergency); now

THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

1. That an emergency exists.
2. That this unforeseen circumstance presents a real, immediate threat to the proper performance of essential functions.
3. That competitive bidding requirements are waived for (name emergency/work to be done) under authority granted by RCW 57.08.050.
4. That the District’s General Manager is directed to negotiate an agreement with a responsible contractor to (state emergency work to be performed).

ADOPTED by the District Board of Commissioners at its scheduled meeting on _____, 20__.

Hartstene Pointe Water-Sewer District
Mason County, Washington

, President

, Commissioner

, Commissioner

Appendix E – Prevailing Wage Information and Forms



Combined Intent
Affidavit Form Small v

Combined Intent/Affidavit Form for Small Public Works \$2,500 - \$35,000



Combined Intent
Affidavit Form Small v

Combined Intent/Affidavit Form for Small Public Works less than \$2,500



Index of Selected
Prevailing Wage Topics

Index of Selected Prevailing Wage Topics

Appendix F – District Resolutions

2016-03 – To Be Inserted Following Adoption

Appendix G – Small Works Contract Template

Small Public Works Contract

THIS AGREEMENT is made this ____ day of _____, _____, between Hartstene Pointe Water-Sewer District (“District” or “Owner”), a municipal corporation, and _____ (“Contractor”).

In consideration of the terms and conditions contained in this Contract and attached to it, the parties agree as follows:

1. Project. The Contractor shall do all work and furnish all tools, materials, and equipment for the District’s public works project known as _____ (“Project”) in accordance with and as described in the following documents: _____, which are by this reference incorporated in this Contract.
2. District Agreement. The District employs the Contractor to provide the materials and to do and cause to be done the Project work described above, and to complete and finish the work according to the attached plans and specifications, if any, and the terms and conditions of this Contract, and agrees to pay for the work at the time, in the manner, and upon the conditions provided for in this Contract.
3. Contractor Agreement. The Contractor agrees to fully perform the work upon all terms and conditions as contained in this Contract. The Contractor shall provide and bear the expense of all equipment, work, and labor of any sort whatsoever that may be required for the transfer of materials and for constructing and completing the Project provided for in this Contract, except those that are mentioned in the specifications to be furnished by the District.
4. Completion Deadline/Liquidated Damages. The Project must be commenced no later than _____ days from the date of mailing of the notice to proceed to the Contractor and must be finished within _____ days of the date of the mailing. If the Project is not completed within that time period, because of difficulty in computing the actual damages to the District arising from any delay in completing this Agreement, it is determined in advance and agreed by the parties that the Contractor shall pay the District the amount of \$ _____ per calendar day that the work remains uncompleted after expiration of the specified time for completion. The parties agree that this amount represents a reasonable forecast of the actual damages which the District will suffer by failure of the Contractor to complete the work within the agreed time period. The execution of this Agreement shall constitute acknowledgement by the Contractor that the Contractor has ascertained and agrees that the District will actually suffer damages in the above amount for each day during which the completion of the work is avoidably delayed beyond the agreed completion date.
5. Contractor Guarantee. The Contractor shall guarantee the materials and work for a period of one year after completion of this Contract.
6. Project Cost. The amount of the Project Contract is \$ _____, plus Washington State sales tax of \$ _____, for a total amount of \$ _____, or as further described on the attachments.
7. Payment Terms. The District shall pay the Contractor on the following terms:

- a. Submittal and Processing of Payments: Contractor shall submit Applications for Payment for approval by the District. Payment shall be considered timely if made within 60 days of receipt of the Application for Payment.
 - b. Progress Payments; Retainage: The District shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the first day of each month during performance of the Work as provided in Section 7.b.i below.
 - i. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as the District may withhold, including but not limited to liquidated damages, in accordance with Section 4 of this Contract.
 1. If this Contract is for \$35,000 or more: 95 percent of Work completed (with the balance being retainage); or
 2. If this Contract is for less than \$35,000: 50 percent of Work completed (with the balance held as retainage in lieu of performance bond).
 - ii. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to:
 1. 95 percent of the Work completed, if this contract is for \$35,000 or more; or
 2. 50 percent of the Work completed, if this contract is for less than \$35,000.
 - c. Final Payment: Upon final completion and final acceptance of the Work, in accordance with RCW 60.28, the District shall pay the remainder of the Contract Price, less any claim or lien amounts.
8. Prevailing Wages. The Contractor shall pay prevailing wages and shall comply with RCW 39.12 and RCW 49.28. Current prevailing wage rates may be found at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/>. Intent to Pay Prevailing Wages must be submitted to and approved by the Department of Labor and Industries before the Project may begin and before any payment shall be made to the Contractor. Prevailing Wages and prevailing wage rates for the Project must be posted for the benefit of workers. At the conclusion of the Project, the Contractor and its subcontractors shall submit Affidavits of Wages Paid to the Department of Labor and Industries for certification by the director. Final payment on the Contract shall be withheld until certification by the director has been received by the District that the prevailing wage requirements of the law have been satisfied.
9. Bond: Contractor shall provide a performance and payment bond to the District in accordance with RCW 39.08.010. If this Contract is for less than \$35,000, Contractor authorizes the District, in lieu of the bond, to retain 50% of the contract amount in accordance with RCW 39.08.010.
10. Insurance.
- a. The contractor shall obtain and keep in force during the term of the contract, Commercial General Liability insurance policies with insurance companies which have an A.M. Best's rating of A: VII or better and who are approved by the Insurance Commissioner of the State of Washington pursuant to Title 48 RCW.
 - b. Prior to the execution of the contract, the contractor shall purchase and maintain during the term of this project a Commercial General Liability insurance policy meeting the requirements set forth herein. The contractor shall file with the district either a certified copy of all policies with

endorsements attached, or a certificate of insurance with endorsements attached as are necessary to comply with these specifications. Failure of the contractor to fully comply with the requirements regarding insurance will be considered a material breach of contract and shall be cause for immediate termination of the contract and of any and all district obligations, regarding same.

- c. The contractor shall not begin work under the contract or under any special condition until all required insurances have been obtained and until such insurances have been approved by the district. The insurance shall provide coverage for the contractor, the contractor's subcontractors and the district. The coverage so provided shall protect against claims from bodily injuries, including accidental death, as well as claims for property damage which may arise from any act or omission of the contractor, the contractor's subcontractors, or by anyone directly or indirectly employed by either of them.
- d. The insurance policies shall specifically name the district, its elected and appointed officials, officers, employees, agents and volunteers as insureds with regards to damages and defense of claims arising from: (a) activities performed by or on behalf of the contractor; (b) products and completed operations of the contractor, and (c) premises owned, leased or used by the contractor. The insurance shall be maintained in full force and effect at the contractor's expense throughout the term of the contract.
- e. The district shall be given at least 30 written notice of cancellation, nonrenewal, material reduction or modification of coverage. Such notice shall be by certified mail to the district.
- f. The coverages provided by the contractor's insurance policies shall be primary to any insurance maintained by the district, except as respects losses attributable to the sole negligence of the district. Any insurance that might cover this contract which are maintained by the district shall be in excess of the contractor's insurance and shall not contribute with the contractor's insurances.
- g. The contractor's insurance policies shall protect each insured in the same manner as though a separate policy had been issued to each. The inclusion of more than one insured shall not affect the rights of any insured as respects any claim, suit or judgment made or brought by or for any other insured or by or for any employee of any other insured. However this provision shall not increase the limits of the insurer's liability.
- h. The General Aggregate provision of the contractor's insurance policies shall be amended to show that the General Aggregate Limit of the policies applies separately to this project.
- i. The contractor's insurance policies shall not contain deductibles or self-insured retentions in excess of \$10,000 unless approved by the district.
- j. The contractor's insurance policies shall contain a provision that the district has no obligation to report events which might give rise to a claim until a claim has been filed with the district's Board of Commissioners.
- k. Types and Limits of Insurance Required:
 - i. **Commercial General Liability**
 - \$1,000,000 each occurrence Bodily Injury and Property Damage liability
 - \$2,000,000 annual aggregate
 - Employees and volunteers as Additional Insureds
 - Premises and operations

- Broad form property damage including underground, explosion and collapse hazards (XCU)
 - Products completed operations
 - Blanket contractual
 - Subcontractors
 - Personal injury with employee exclusion deleted
 - Employers liability (Stop gap)
- ii. **Automobile Liability**
- \$1,000,000 per accident bodily injury and property damage liability, including:
 - Any owned automobile
 - Hired automobiles
 - Non-owned automobile
- iii. **Umbrella Liability**
- \$2,000,000 per occurrence
 - \$2,000,000 aggregate
- l. As an alternative to the above indicated Commercial General Liability and Umbrella Liability insurance policies the contractor may provide the district with an Owners and Contractors Protective (OCP) policy with a limit of coverage of \$5,000,000. If the contractor provides an OCP policy, the contractor shall additionally provide the district with evidence that the contractor's Commercial General Liability policy has been endorsed adding the district, its elected and appointed officials, officers, employees, agents and volunteers as insureds for at least products completed operations coverage.
- m. Providing of coverages in the stated amounts shall not be construed to relieve the contractor from liability in excess of such limits.
- n. The contractor shall have its insurance agent/representative complete the Insurance Coverage Questionnaire contained in Appendix A and attach it to the certificate of insurance for District's approval.
- o. The contractor shall maintain Workers Compensation insurance and/or Longshore and Harbor Workers insurance (or Jones Act coverage for all employees eligible for same) as required by state or federal statute for all of the contractor's employees to be engaged in work on the project under this contract and, in case any such work is sublet, the contractor shall require the subcontractor similarly to provide workers compensation insurance and/or longshore and harbor workers insurance (or Jones Act coverage) for all of the subcontractor's employees to be engaged in such work. The contractor's Department of Labor & Industries account number shall be noted on the certificate of insurance. In the event any class of employees engaged in the work under this contract is not covered under Workers Compensation insurance or Longshore and Harbor Workers insurance (or Jones Act coverage) as required by state and federal statute, the contractor shall maintain and cause each subcontractor to maintain, Employers Liability insurance for limits of at least \$1,000,000 for each employee for disease or accident, and shall furnish the district with satisfactory evidence of such.
- p. The Contractor shall be solely and completely responsible for safety and safety conditions on the job site, including the safety of all persons and property during performance of the work. The

services of District staff or the engineer's personnel in conducting construction review of the contractor's performance is not intended to include review of the adequacy of the contractor's work methods, equipment, bracing, scaffolding, or trenching, or safety measures in, on, or near the construction site. The Contractor shall provide safe access for the district and its inspectors to adequately inspect the quality of work and the conformance with project specifications.

- q. The Contractor shall be solely and completely responsible to perform all work and furnish all materials in strict compliance with all applicable state, city, county and federal laws, regulations, ordinances, orders and codes. The Contractor's attention is directed to the requirements of the Washington Industrial Safety and Health Act (WISHA), Chapter 49.17 RCW.
- r. The District will make no progress payments until the contractor has fully complied with this section. This remedy is not exclusive and the District may take such other action as is available under other provisions of this contract, or otherwise in law.
- s. The contractual coverage of the Contractor's policy shall be sufficiently broad enough to insure the provisions of the HOLD HARMLESS AND INDEMNIFICATION AGREEMENT of this contract.
- t. Nothing contained in these insurance requirements shall be construed as limiting the extent of the contractor's responsibility for payment of damages resulting from the contractor's operations under this contract.

11. Hold Harmless and Indemnification Agreement.

- a. Contractor shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against any and every claim and risk and all losses, damages, demands, suits, judgments and attorney fees, and other expenses of any kind, on account of injury to or death of any and all persons and/or on account of all property damage of any kind, whether tangible or intangible, including loss of use resulting therefrom, in connection with the work performed under this contract, or caused or occasioned in whole or in part by reason of the presence of the Contractor or its subcontractors, or their property, employees or agents, upon or in proximity to the property of the District, or any other property upon which the Contractor is performing any work called for or in connection with this contract, except only for those losses resulting solely from the negligence of the District, its officers, officials, employees and agents.
- b. Should a court of competent jurisdiction determine that this Hold Harmless and Indemnification Agreement is subject to RCW 4.24.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the District, its officials, officers, employees and agents, the Contractor's liability hereunder shall be only to the extent of the contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under industrial insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.
- c. If a lawsuit arises in respect to this Hold Harmless and Indemnification Agreement, the Contractor shall appear and defend that lawsuit at its own cost and expense, and if judgment is rendered or settlement made requiring payment of damages by the District, its elected or

appointed officers, officials, employees, agents and volunteers, the Contractor shall pay the same.

12. Trench Safety Systems. All trenches shall be provided with adequate safety systems as required by RCW 49.17.

OWNER:
HARTSTENE POINTE WATER-SEWER
DISTRICT

By:

Its:

CONTRACTOR:

By: _____

Its: _____

Address: _____

Telephone: _____

State of Washington General Contractor's

License No. _____

Appendix A – Insurance Coverage Questionnaire

Note: This questionnaire must be completed and attached to certificate of insurance and policy endorsement.

Insurance Coverage Questionnaire

For _____
(Name of Insured)

Project Number _____

Project Owner _____

Are the following coverages &/or conditions in effect?		
	Yes	No
The Policy form is ISO Commercial General Liability (CGL) form CG 00 01 of CG 00 02 (circle one). If No, attach a copy of the policy with required coverages clearly identified.		
(CGL) Ongoing Operations coverage (similar to CG 2010 07 04)		
(CGL) Products and Completed operations coverage (similar to CG 2037 07 04)		
Personal Injury Liability Coverage. (with employee exclusion deleted)		
Broad Form Property Damage with X, C, U Hazards included		
Blanket Contractual Liability coverage applying to this contract		
Employers Liability - Stop Gap		

Deductibles or SIRs: GL _____ AL _____ Excess _____

Insurer' Best Rating GL _____ AL _____ Excess _____

This Questionnaire is issued as a matter of information. This questionnaire is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies indicated on the attached Certificate of Insurance.

Agency/Broker

Completed by (type)

Address

Completed by (Signature)

Name of Person to contact

Telephone Number

Appendix H – Agreement for Consulting Services Template

AGREEMENT FOR CONSULTING SERVICES

This Agreement is made and entered into this ____ day of _____, 20__, by and between the Hartstene Pointe Water-Sewer District, a municipal corporation in Mason County, Washington (“District”) and _____ (“Consultant”) for the purposes forth below.

1. Scope of Consulting Services. Consultant shall provide consulting services to the District under the terms of this Agreement for the following Project: _____ (“Project”). The scope of services is more fully described on Exhibit A attached hereto and incorporated herein by this reference.

2. Compensation and Payment. District shall pay Consultant for the time and materials devoted to the Project as consideration for the performance of the services set forth on Exhibit A, not to exceed the amount of \$_____. Such compensation shall be payable in the following manner:

a. Consultant shall submit a detailed monthly billing for all services provided describing in reasonable and understandable detail the services rendered, fees charged and expenses incurred by Consultant during the previous month in accordance with a schedule of rates and charges set forth on Exhibit B, including fees and expenses for additional services authorized by District as provided herein. District shall pay the invoice within sixty (60) days of receipt, except as to any disputed amounts.

b. Upon District’s failure to pay within sixty (60) days of receipt the undisputed amount set forth in any monthly billing submitted to District by Consultant, such unpaid balance will bear interest at the rate of 1% per month until the amount of such unpaid balance, plus interest thereon shall be paid in full.

3. Schedule of Work. Consultant shall commence the performance of its services under this Agreement upon receipt of notice by the District to do so and shall provide the services in accordance with the schedule on Exhibit A, subject to delays for causes beyond the reasonable control of Consultant or as otherwise agreed to by District.

4. Subcontractors. Consultant shall not subcontract or assign any portion of the work covered by this Agreement without the prior written approval of the District.

5. Independent Contractor. Consultant is an independent contractor and not an employee of the District. Consultant shall be responsible in full for payment of its employees, including insurance and deductions, and for payment to any subcontractors. No personnel employed by Consultant shall acquire any rights or status regarding the District. All of the services required hereunder shall be performed by Consultant or under its direction, and all personnel engaged therein shall be fully qualified under applicable state, federal and local law to undertake the work performed by them.

6. Changes in Scope of Services. The District may require changes or modifications in the scope of services to be performed under this Agreement. Any such changes or modifications shall be in writing and signed by the parties to this Agreement. The compensation for the changes or modifications, whether a decrease or increase, shall be on the same terms and conditions as set forth in paragraph 2 above or in a manner otherwise mutually agreed to by the parties.

7. Insurance. Consultant shall maintain throughout the performance of this Agreement the following types and amounts of insurance.

a. Comprehensive business automobile liability insurance covering personal injury and property damage claims arising from the use of motor vehicles with combined single limits of One Million Dollars (\$1,000,000), including any owned, hired and non-owned automobiles.

b. Commercial General Liability Insurance written on an occurrence basis with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and

c. Professional liability insurance (Errors and Omissions insurance) with limits no less than One Million Dollars (\$1,000,000) for each claim with a maximum deductible or self-insured retention not exceeding \$10,000 unless approved by the district.

The insurance policies shall: (1) state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) be primary to any insurance maintained by the District, except as respects losses attributable to the sole negligence of the District; and (3) shall state that the District will be given 45 days prior written notice of any cancellation, intended non-renewal or reduction in coverage.

The District, its elected and appointed officials, officers, employees, agents and volunteers shall be named as insureds on the Commercial General and Business Automobile Liability Insurance policies with regard to work and services performed by or on behalf of the Consultant and a copy of the endorsement naming these parties as insureds shall be attached to the Certificate of Insurance.

Before commencing work and services, Consultant shall provide to the District a Certificate of Insurance evidencing the insurance described above and shall also complete and provide to the District the insurance forms attached hereto as Exhibit C. The District reserves the right to request and receive a certified copy of all required insurance policies.

The above insurance limits do not constitute a limit on Consultant's liability to the District. Any payment of deductible or self-insurance retention shall be the sole responsibility of Consultant.

Consultant shall be solely responsible for the safety of its employees and subcontractors at the Project work site, and shall comply with all applicable federal, state and local statutes, regulations and ordinances regarding safety.

8. Indemnification. Consultant shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against all claims, injuries, damages, liabilities, losses of suits, including attorneys' fees and costs, arising out of or relating to Consultant's performance under this Agreement, except for injuries or damages caused by the sole negligence of the District. For the purposes of this indemnification, Consultant specifically and expressly waives any immunity granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been mutually negotiated and agreed to by the parties. If a court of competent jurisdiction determines that this contract is subject to RCW 4.24.115, Consultant's obligation to defend, indemnify and hold harmless the District, its officers, employees, agents and volunteers shall be limited to the extent of Consultant's negligence. The provisions of this Section shall survive the expiration or termination of this Agreement.

9. Ownership of Documents. Consultant agrees to return to District upon termination of this Agreement all documents, drawings, photographs and other written or graphic material, however produced, received from District and used by Consultant in performance of its services hereunder. All documents,

drawings, specifications, designs, mylars, surveys, survey data, reports and other work product (collectively referred to as "Work Product") produced by Consultant in connection with the services rendered under this Agreement shall be owned by District. District shall own all copyrights to such Work Product and Consultant agrees to assign all ownership rights to such Work Product to the District. Reuse of any such Work Product by the District for other than a specific project or modification in use by the District of any of the Work Product without the Consultant's prior written approval shall be at the District's sole risk.

10. Standard of Care. Consultant warrants that its services shall be performed with the level of care, skill and competence of the consulting profession in accordance with the standard for professional services at the time the services are rendered.

11. Right of Entry. District shall provide for the right of entry of Consultant and its subcontractors and all necessary equipment in order to complete the services under this Agreement.

12. Compliance with Codes and Standards. Consultant's Professional Services shall be consistent with the standard of care and shall incorporate those publicly known federal, state and local laws, regulations, codes and standards that are applicable at the time Consultant renders its services.

13. Discovery of Hazardous Materials. The parties recognize that unanticipated hazardous materials or suspected hazardous materials may be discovered on District's property or on property included as part of the site of work but not owned by District. The discovery of unanticipated hazardous materials may delay the Consultant's provision of the services required herein. In that event, the parties may extend the Contract Completion Date by mutual agreement.

14. Termination. This Agreement may be terminated by either party upon seven days written notice for any reason. In the event of termination, Consultant shall be entitled to compensation for all services performed and costs incurred through and including the date of termination, except as to any disputed amounts.

15. General Provisions.

a. Notices. Any notice or demand desired or required to be given under this Agreement shall be in writing and deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the parties as set forth below or to such other address as either party shall have previously designated by such a notice:

_____ District
[Address]
Attn: _____

[Consultant]
[Address]

b. Attorneys' Fees. In the event that any party commences litigation against the other party relating to the performance, enforcement or breach of this Agreement, the prevailing party in such action shall be entitled to all costs, including attorneys' fees and costs and any such fees or costs incurred on appeal.

c. Entire Agreement. This Agreement and its exhibit attachments contain the entire understanding between the District and Consultant relating to the consulting services which are the subject of

this Agreement. This Agreement merges all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing. Subsequent modification or amendment of this Agreement shall be in writing and signed by the parties to this Agreement.

d. Waiver. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

e. Assignment. Neither party shall assign, transfer or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of the other party. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. This Agreement is made only for the benefit of the District and Consultant and successors in interest and no third party or person shall have any rights hereunder whether by agency, as a third party beneficiary, or otherwise.

f. Jurisdiction/Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Agreement shall be brought in _____ County Superior Court, _____ County, Washington.

g. Severability. If any term, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

h. Effective Date. The effective date of this Agreement shall be the date that the contract has been signed by authorized representatives of both parties hereto.

CONSULTANT:

DISTRICT:

_____ DISTRICT

By _____
Its _____

By _____
Its _____

Address: _____

Address: _____

Phone: _____

Phone: _____

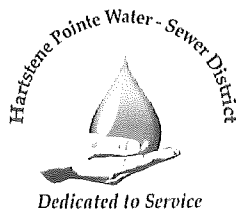
Fax: _____

Fax: _____

Date: _____

Date: _____

Appendix I – Request for Quotes/Proposals Template



Hartstene Pointe Water-Sewer District
772 Chesapeake Drive Shelton, WA 98584
(360) 427-2413 • info@hpwatersewer.com

REQUEST FOR QUOTE

Date: July 28, 2016

Agency: Hartstene Pointe Water-Sewer District
Mailing Address: 772 Chesapeake Dr., Shelton, WA 98584

Project: Pressure Reducing Valve (PRV) Replacement

Project Location: 588 E Pointes Drive West and 396 E Pointes Drive East, Shelton, WA Mason County

Project Contact: Mont Jeffreys, General Manager
(360) 427-2413; gm@hpwatersewer.com

Miceal Carnahan, Accounting & Administrative Services Manager
(360) 427-2413; acct@hpwatersewer.com

Due Date: August 10, 2016

Project Description: Replace two PRV stations in accordance with the attached "Existing and Proposed PRV Plan."

Site Visit: Site visits are available by appointment. To make an appointment, call (360) 427-2413 or email gm@hpwatersewer.com

Quote Preparation, Evaluation and General Requirements:

1. QUOTE PREPARATION. Quotes shall be received via email and signed by an authorized person of the Contractor's firm. If errors are made, the corrections shall be initialed by the person signing the quote.
2. SUBMISSION OF QUOTES. Submit the quote via email to acct@hpwatersewer.com.
3. CONTRACTOR'S REPRESENTATION. The Contractor, by making its quote, represents that it has read and understands the specifications and has familiarized itself with the local conditions under which the work is to be performed.
4. AWARD OF CONTRACT. Award of contract, when made by Hartstene Pointe Water-Sewer District, will be to the lowest responsible bidder as defined under RCW 39.04.010.
5. CONTRACTOR REGISTRATION. Contractor must be registered and/or licensed as required by Washington State Law.
6. GUARANTY. The Contractor guarantees all work, labor and materials for one year following final acceptance of the work. If any unsatisfactory condition or defect develops within that time, the Contractor shall immediately place the work in a satisfactory condition and repair all damage caused by the condition or defect at its sole expense.
7. PREVAILING WAGES. The Contractor shall pay prevailing wages and shall comply with RCW 39.12 and RCW 49.28. Current prevailing wage rates may be found at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/>. Intent to Pay Prevailing Wages must be submitted to and approved by the Department of Labor and Industries before the Project may begin and before any payment shall be made to the Contractor. Prevailing Wages and prevailing wage rates for the Project must be

posted for the benefit of workers. At the conclusion of the Project, the Contractor and its subcontractors shall submit Affidavits of Wages Paid to the Department of Labor and Industries for certification by the director. Final payment on the Contract shall be withheld until certification by the director has been received by the District that the prevailing wage requirements of the law have been satisfied.

8. **BOND:** Contractor shall provide a performance and payment bond to the District in accordance with RCW 39.08.010. If the Contract is for less than \$35,000, the Contractor authorizes the District, in lieu of the bond, to retain 50% of the contract amount in accordance with RCW 39.08.010.

9. **INSURANCE.**

a. The contractor shall obtain and keep in force during the term of the contract, Commercial General Liability insurance policies with insurance companies which have an A.M. Best's rating of A: VII or better and who are approved by the Insurance Commissioner of the State of Washington pursuant to Title 48 RCW.

b. Types and Limits of Insurance Required:

i. **Commercial General Liability**

- \$1,000,000 each occurrence Bodily Injury and Property Damage liability
- \$2,000,000 annual aggregate
- Employees and volunteers as Additional Insureds
- Premises and operations
- Broad form property damage including underground, explosion and collapse hazards (XCU)
- Products completed operations
- Blanket contractual
- Subcontractors
- Personal injury with employee exclusion deleted
- Employers liability (Stop gap)

ii. **Automobile Liability**

- \$1,000,000 per accident bodily injury and property damage liability, including:
 - Any owned automobile
 - Hired automobiles
 - Non-owned automobile

iii. **Umbrella Liability**

- \$2,000,000 per occurrence
- \$2,000,000 aggregate

Appendix J – Retainage Release Checklist



Retainage release
checklist