

# NORTHSHORE FIRE DEPARTMENT

## ADMINISTRATIVE POLICY AND PROCEDURES/GUIDELINES

### **SUBJECT: Purchasing**

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<b>Policy Number:</b>	6200	<b>Approved By:</b>	Board of Commissioners
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1. **As a governmental agency, the Northshore Fire Department (“Department”)** shall adhere to the Revised Code of Washington (RCW) regulations governing Small Works, Consulting Services, and Vendor Rosters and for disposing of surplus Department property.
2. **This policy provides guidelines and procedures** that meet the bid laws, surplus property, and related party transaction requirements of the Revised Code of Washington (RCW).
  - a. Individuals responsible for administering the competitive bid process and surplus property process shall ensure that all appropriate original documentation is forwarded to the Administrative Director (Public Records Officer) to be maintained per the records retention guidelines.
3. **DEFINITIONS**
  - a. **Emergency: RCW 39.04.280(3):** Unforeseen circumstances beyond the control of the municipality that either (1) present a real, immediate danger to the proper performance of essential functions, or (2) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken. This includes declared federal, state disaster, and local Department-declared disaster.
  - b. **Competitive Bidding (Formal):** A formal process providing an equal or open opportunity to qualified parties and culminating in a selection of the lowest responsive and responsible bidder based on criteria required by statute and may include supplemental criteria if adopted for the specific project.
  - c. **Evidence of Competition:** Documentation demonstrating that the Department has solicited responses from multiple firms in selecting a consultant.
  - d. **Prevailing Wages:** The hourly wage, usual benefits, and overtime paid to the majority of workers in a particular trade or occupation. Prevailing wages are established and enforced by the Department of Labor and Industries.
  - e. **Small Works Rosters:** List of all qualified contractors who have requested to be on the appropriate small works roster for the applicable type of work or location and who have all applicable licenses and registrations, and who can be called upon to bid for an eligible project below \$350,000.
  - f. **Vendor Lists:** A directory maintained by a local government agency of vendors who are interested in selling equipment, materials, and supplies to that agency.
  - g. **Related Party Transactions:** A purchase or contract between the Department and an employee, a relative of an employee, or business in which the employee has ownership or interest.

- h. **Surplus Property:** Property that is retained by a state government, but is not currently being utilized. A surplus property that may be out of date or no longer working and no longer meets the needs of the Department.
  - i. **A request for proposal (RFP):** A document that announces and provides details about a project, as well as solicits bids from contractors who will help complete the project. The RFP process should be used when a project is complex, and a complicated undertaking where price alone will not determine the best solution.
  - j. **Request for Qualifications and Quotation (RFQQ):** When a department is seeking specific information about the company's track record (i.e. general capabilities, list of principals, previous projects number of employees, license, etc.). The RFQQ process is a way to pre-screen companies before asking for a quote. A request for quotation mostly refers to purchases of goods, equipment, materials, or supplies using an informal, competitive process.
4. **DELEGATION.** The Chief is authorized to manage the necessary expenditures and purchase of supplies and services necessary for the proper operation and maintenance of the equipment and facilities of the District in accordance with the approved budget.
- a. Expenditures shall be initiated and documented through a properly completed and approved purchase order.
  - b. Contracts and expenditures must be related to a legitimate District purpose.
  - c. Board authorization and legal review is required prior to entering into contracts above \$50,000.
  - d. Expenditures within a budget year that are not specifically planned and budgeted should be approved by the Board of Fire Commissioners. The exception would be for an expenditure that needs to occur and the timing is not conducive with waiting for a Board of Commissioner meeting. In this case temporary approval shall be provided by the Board of Commissioner Chairperson.
  - e. Expenditures for equipment, materials and supplies, services and small works shall be procured in accordance with the provisions of state law.
  - f. Records of expenditures shall be documented in a manner that demonstrates compliance with the provisions of this policy.
5. Competitive bidding requirements for purchases, public works projects, architect, and engineering service contracts are outlined in the following Addendums:
- **ADDENDUM A** Architect and Engineering Services Contract
  - **ADDENDUM B** Public Works Projects
  - **ADDENDUM C** Purchases
  - **ADDENDUM D** Competitive Bidding Process (Formal)
  - **ADDENDUM E** Exemptions of the Bid Laws

**The Department has established a small, minority, women, and veteran-owned business utilization plan.**

6. Competitive bidding is not required for professional service contracts; however, evidence of competition is required by the Department:
- **ADDENDUM F** Professional Service Contracts
  - **ADDENDUM G** Related Party Transactions

7. **Surplus property with an estimated value of LESS THAN \$50,000** may be surplus or disposed of as outlined in Addendum H, and **Surplus property with an estimated value or MORE THAN \$50,000** requires a public hearing (RCW 39.33.020).

- **ADDENDUM H** Disposal of Surplus Property.

8. **Federal Awards:** Procurement Standards under the Uniform Guidance (Part 200-Uniform Administrative Requirements)

- **ADDENDUM I** Federal Awards, Procurement Standards

**REFERENCES:**

- RCW 52.14.120 Purchases and Public Works – Competitive Bidding Procedures
- RCW 52.14.110 Purchases and Public Works–Competitive Bids Required – Exceptions
- RCW 39.04.190 Purchase Contract Process – Other Than Formal Sealed Bidding
- RCW 39.04.155 Small Works Roster Contract Procedures
- RCW 39.12.030 Contract Specifications Must State Minimum Hourly Rate
- RCW 39.12.040 Statement of Intent to Pay Prevailing Wages
- RCW 39.33.020 Disposal of Surplus Property
- RCW 42.23.030 Interest in Contracts Prohibited – Exceptions
- eCFR 200, Part 200-Uniform Administrative Requirements

**ADDENDUM A:**

**ARCHITECT AND ENGINEERING SERVICES CONTRACT**

Competitive negotiation requirements of RCW 39.80 apply when contracting for professional services and engineering, architect or land surveyor services contracts. There is no specified dollar threshold. Prevailing wage is not required for architectural and engineering service contracts.

**NOTE:** If Federal funds are used to pay for architectural and engineering services, Northshore Fire Department must follow Federal procurement requirements.

**ARCHITECTURAL AND ENGINEERING SERVICE CONTRACT PROCEDURES:**

**1. Advertisement:**

- a. Prepare a formal solicitation document, i.e., Request for Proposal (RFP), or Request for Qualifications/Quotations (RFQQ). Include enough information to allow vendors/consultants to understand what the Department needs.
- b. Publish an announcement for each project in at least one newspaper of general circulation within the district, **at least thirteen days before the submittal deadline**. All original affidavits of publications shall be forwarded to the Administrative Director (Public Records Officer).

**2. Negotiations:** RCW 39.80.050 outlines the requirements for procuring architectural and engineering services.

- a. The selection of architectural and engineering firms is based on a determination of the “most qualified firm,” not the lowest responsive and responsible bidder as public works and purchase contracts often are. Once a firm is selected, a price is negotiated between the Department and the firm.
- b. If the Department is unable to negotiate a satisfactory contract with the first firm, negotiations with that firm shall be formally terminated, and the Department shall select other firms in accordance with RCW [39.80.040](#) and continue in accordance with this section until an agreement is reached or the process is terminated.

**ADDENDUM B:**

**PUBLIC WORKS PROJECTS**

*(The bidding dollar threshold includes appropriate sales tax, freight/handling costs, set-up costs, etc.).*

**DEFINITION:** All work, construction, alteration, repair, or improvement other than ordinary maintenance as defined in RCW 39.04.010.

**NOTE:** If Federal funds are used to pay for a Public Works Project, the Department must follow Federal procurement and any specific grant contract requirements.

1. **Prevailing wages** are required for all public works projects (*Exception: Sole Owners*). RCW 39.12.030 requires all public works contracts to include specifications requiring the payment of prevailing wages to all workers employed in any part of the contract.
2. **Sole owners** of a business who perform the actual work themselves on public works projects are not required to pay themselves the prevailing wage rates.
3. **Competitive bidding** requirements for the Public Works Contracts process may be waived in the event of an emergency per RCW 39.04.280, provided the Board of Commissioners takes official action.
4. **Bid Threshold:**

**Single Trade Project**

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<b>\$75,500 or Less</b>	<b>No formal sealed bidding required</b>
<b>\$75,500-\$350,000</b>	<b>Formal Sealed Bid Required</b> (Exception: Small Works Roster <u>or</u> Applying Bidding Exemption)
<b>\$350,000 or More</b>	<b>Formal sealed bid is required</b> (Exception: Emergency declared)

**Multi-Trade Project**

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<b>\$150,000 or Less</b>	<b>No formal sealed bidding required</b>
<b>\$150,000-\$350,000</b>	<b>Formal Sealed Bid Required</b> (Exception: Small Works Roster <u>or</u> Applying Bidding Exemption)
<b>\$350,000 or More</b>	<b>Formal sealed bid is required</b> (Exception: Emergency declared)

***In the event, this policy conflicts with the bidding law thresholds, then the applicable statute will prevail.***

5. **Public Works Projects (Small Works Roster): –Up to \$350,000** - If the Department utilizes the process provided in RCW 39.04.155(1) and (2) related to the Small Works Roster, no formal sealed bidding is required.

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6. **Small Works Roster Procedures (RCW 57.08.050, Chapter 39.04 RCW):** A contract awarded from a small works roster or vendor list need not be advertised.
  - a. The Department shall obtain telephone, written, or electronic quotations from contractors on the appropriate small roster to ensure that competitive price is established and to award contracts to the lowest responsive and responsible bidder, as defined in RCW 39.04.010.
  - b. The employee responsible for preparing invitations for quotations will prepare written details on the specifications, terms, conditions or requirements of the materials, equipment, supplies or services.
  - c. Quotations may be invited from all appropriate contractors on the appropriate small works roster. Invitations for quotations shall include an estimate of the scope and nature of the work to be performed as well as materials and equipment to be furnished. As an alternative, for projects estimated to cost less than \$150,000, Northshore Fire Department may contract directly with contractors (instead of soliciting bids from all contractors) on the small works roster as follows:
    - i. If there are six (6) or more contractors meeting the “small business” definition on the applicable roster interested in performing work in the applicable geographic location, the Department can direct contract with one (1) of those six “small businesses. If the Department utilizes direct contracting under this section, it must rotate through the small business contractors on the appropriate small works roster and must utilize different contractors on different projects when multiple qualified contractors are available from the roster who may perform the work or deliver the services within the budget described in the notice or request for proposals.
    - ii. If there are five (5) or less contractors meeting the definition the “small business” definition on the applicable roster, the Department can direct contract with any contractor (small business or otherwise) on the applicable roster.
    - iii. If the Department utilizes the direct contracting method to award a project, it must notify all small, minority, women, and veteran-owned businesses on the applicable roster of such direct contracting.
    - iv. If the Department elects not to utilize the direct contracting method, then it must electronically solicit bids from all contractors on the applicable small works roster.
  - d. The Department shall not favor certain contractors on an appropriate small works roster by repeatedly awarding contracts to them without documented attempts to direct contract with other contractors on the appropriate roster.
  - e. The employee will secure written quotes from each of the vendors to ensure a competitive price is established. The bid will be awarded to the lowest responsive and responsible bidder as required by RCW 39.04.010 and RCW 39.04.350.
  - f. The employee will notify the successful bidder of the bid award as soon as possible.
  - g. Immediately following the bid award, documentation shall be forwarded to the Administrative Director (Public Records Officer).
  - h. Bid quotes must be recorded and available for public inspection and available by telephone or electronic inquiry. Each year, the Department must publish a list of: (i) small works contracts awarded and (ii) all contractors contacted for direct negotiations.
7. **Public Works Project: \$350,000 or MORE:** Formal sealed bid is required, refer to Addendum D: Competitive Bidding Process (Formal).

**ADDENDUM C:**

**PURCHASES**

*(The bidding dollar threshold includes appropriate sales tax, freight/handling costs, set-up costs, etc.)*

**DESCRIPTION:** Purchases of goods, equipment, supplies, or materials not connected with a public works project.

**1. BID THRESHOLD:**

<b>\$75,500 or Less</b>	<b>No formal sealed bidding required</b>
<b>\$75,500-\$150,000</b>	<b>Formal Sealed Bid Required</b>  (Exception: Use of Vendor’s List OR Applying for Bidding Exemption)
<b>\$150,000 or More</b>	<b>Formal Sealed Bid Required</b>  (Exception: Applying for Bidding Exemption (see Addendum E))

***In the event, this policy conflicts with the bidding law thresholds, then the applicable statute will prevail.***

2. **Vendor Rosters (RCW 39.04.190):** Vendor list procedures may be used for a purchase price between \$75,500-\$150,000 in lieu of a formal sealed bidding process.
3. The procedures for securing telephone or written quotes, or both, from at least three (3) vendors from the list as established within the policy are as follows:
  - a. The employee responsible for obtaining bids will prepare written details on the specifications, terms, conditions, or requirements of the materials, equipment, supplies, or services.
  - b. The employee will select three vendors (whenever possible) from the vendor list, providing each with the bid details.
  - c. The employee will secure written quotes from each of the vendors to ensure a competitive price is established. The bid will be awarded to the lowest responsive and responsible bidder as defined in Chapter 39.26 RCW, except that the contract may award to the second lowest responsive and responsible bidder if (a) that bid is within five percent (5%) of the lowest bid; (b) the lowest bidder has delivered a project to the district within the last three (3) years which was late, over budget, or did not meet specifications; and (c) Northshore Fire Department does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications.
  - d. The employee will notify the successful bidder of the bid award as soon as possible.
  - e. Immediately following the bid award, documentation shall be forwarded to the Administrative Director (Public Records Officer).
  - f. Immediately after the award is made, bid quotes must be recorded and available for public inspection and telephone inquiry. There is no need to advertise the contract award.

**ADDENDUM D:**

**COMPETITIVE BIDDING PROCESS (FORMAL) RCW 52.14.120**

1. Once specifications are drawn or approval for the expenditure is obtained, a call for bid (stating the place and time of the bid opening) must go before the Board of Commissioners at an open meeting.
2. The employee responsible for obtaining the bids shall prepare a formal solicitation document, i.e., Request for Proposals (RFP) or Request for Qualifications/Quotations (RFQQ). Prepare written details on the specifications, terms, conditions, or requirements of the materials, equipment, supplies or services. The formal solicitation, or bidding documents shall include any criteria required by statute and any supplemental criteria adopted for the specific project and the basis for evaluation of the supplemental criteria. The bidding documents must also include a deadline for a bidder to appeal a determination that a bidder is not responsible. If the Department determines that a bidder is not responsive or responsible, the Department must provide in writing the reasons for the determination. The bidder may appeal the determination within the period specified in the bidding documents by presenting additional information to the Department. The Department must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsive or responsible, the Department may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.
3. The employee responsible for obtaining the bids shall publish the legal notice (call for bid) in at least one (1) newspaper of general circulation within the district **at least thirteen (13) days before the submittal deadline**. All original affidavits of publications shall be forwarded to the Administrative Director (Public Records Officer).
4. The employee responsible for obtaining the bids shall post the solicitation document on the Northshore Fire Department's website.
5. If no bid is received on the first bid call the Board of Commissioners may elect to re-advertise and make a second call, or may enter into a contract without a further call if permitted as a special market condition under Appendix E.
6. Date and time stamp bids received by the due date. Electronic bids will have the date and time automatically noted.
7. Evaluate bids based on criteria outlined in the formal solicitation document, and award the bid to the lowest responsive and responsible bidder or reject all bids, except that the contract may award to the second lowest responsive and responsible bidder if (a) that bid is within five percent (5%) of the lowest bid; (b) the lowest bidder has delivered a project to the district within the last three (3) years which was late, over budget, or did not meet specifications; and (c) Northshore Fire Department does not find in writing that such bidder has shown how they would improve performance to be likely to meet project specifications.
8. In determining the lowest responsive and responsible bidder purchases the materials, supplies, or equipment, the Department may take the following factors into account, in addition to the purchase price:
  - a. Any preferences provided by law to Washington products and vendors.
  - b. The quality of the materials, supplies, and equipment to the Department's specifications.



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- c. The conformity of the materials, supplies, and equipment to the Department’s specifications.
  - d. The purposes for which the materials, supplies, or equipment are required.
  - e. The times for delivery of the materials, supplies, or equipment.
  - f. The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
  - g. Other information as may have a bearing on the decision to purchase the materials, supplies, or equipment.
9. Through the proper use of supplemental bidder responsibility criteria, in determining the lowest responsive and responsible bidder for the public works projects, the Department may take the following factors into account, in addition to the price:
    - a. The ability, capacity, and skills of the bidder to perform the contract.
    - b. Whether the bidder can perform the contract within the time specified by the Department.
    - c. The quality of the bidder’s performance of previous contracts or services.
    - d. The previous and existing compliance by the bidder with laws relating to the contract or services.
  10. Bids will be opened and then presented to the Board of Commissioners for their review and approval.
  11. Once the bid has been awarded by a motion of the Board of Commissioners, the bid quotations obtained shall be recorded, open to public inspection and, available by telephone inquiry.
  12. After notice is given to the successful bidder, mail a notice of the decision to all unsuccessful bidders as soon as possible.
  13. **Change Orders:** The Department considers any alteration to a project during construction that is not consistent with the original bid specifications a “change order”. Change orders shall not cause the project to vary from the scope of the original contract so much that it constitutes a separate project. Change orders falling outside the scope of the original contract are categorized as those that drastically altered the work in such a manner to require the contractor to perform duties materially different from those outlined in the original contract. All change orders should be documented and kept on file with the project documentation.
  14. **Documentation:** Forward the appropriate sections from the Board meeting minutes authorizing the process, the RFP or RFQQ, a copy of the legal notice, bids received, the relevant section awarding the bid, and any other pertinent information specific to the process to the Administrative Director (Public Records Officer).
  15. **Subcontractor Listing:** On all public works expected to cost \$1,000,000 or more, bidders shall list the names of the subcontractors with whom the bidder, if awarded the contract, will subcontract for performance of the work of (a) HVAC (heating, ventilation, and air conditioning); plumbing; and electrical, or to name itself for the work, within one (1) hour after the published bid submittal time; and (b) structural steel installation and rebar installation, within forty-eight (48) hours after the published bid submittal time.
  16. **Apprenticeship Requirement:** All public works estimated to cost \$2,000,000 or more (\$1,500,000 or more effective July 1, 2026, and \$1,000,000 or more effective July 1, 2028) shall require no less than fifteen (15) percent of the labor hours be performed by apprentices. Northshore Fire Department may adjust the apprenticeship requirements for the following reasons:
    - (a) The demonstrated lack of availability of apprentices in specific geographic areas;

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(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation;

(c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.320; or

(d) Other criteria the awarding entity deems appropriate, which are subject to review by the office of the governor or Board of Commissioners.

The Department shall monitor apprenticeship utilization hours by contractors on applicable public works projects. Contracts on applicable public works project should include a line item specifying apprenticeship utilization goals including monetary incentives for meeting goals, monetary penalties for missing the goals, and an expected cost value to be included in the bid associated with meeting the goals. The Department shall report actual apprenticeship utilization to the Department of Labor and Industries (“L&I”) by final project acceptance.

17. **Reciprocal Disadvantage to Non-Resident Contractors.** The Department shall impose a reciprocal disadvantage to “non-resident” contractors from states that provide bid preferences to its resident contractors. A contractor is a “non-resident” contractor if, at the time of the bidding, it does not have a physical office in Washington state. If the non-resident contractor’s home state applies a percentage bidding preference, then a comparable percentage disadvantage applies to that contractor when bidding on Washington public works projects. A non-resident contractor’s home state is the state in which it was incorporated or, if not incorporated, where its business entity was formed.

**ADDENDUM E:**

**EXEMPTIONS OF THE BID LAWS**

*Exemptions of the Bid Laws for purchases, formal Sealed Bid may be waived if the following circumstances apply. Immediately after the award of any contract in which the competitive bidding requirements were waived under this policy, the contract and the factual basis for the exception must be recorded and open to public inspection.*

**1. Emergency Purchases / Public Works (RCW 39.04.280(1)(c) & (e))**

**DEFINITION:** Unforeseen circumstances beyond the control of the Department that either: (a) present a real, immediate threat to the proper performance of essential functions; or (b) will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

- a. If an emergency exists, the Fire Chief may declare an emergency, waive competitive bidding requirements, and award all necessary contracts on behalf of the Department to address the emergency situation.
- b. 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 Fire Chief and duly entered of record no later than two weeks following the award of the contract.

**2. Sole Source Purchase (RCW 39.04.280(1)(a))**

**DEFINITION:** Professional or technical expertise of such a unique nature that the consultant/vendor is clearly and justifiably the only practicable source of supply.

- a. This includes materials, supplies, or equipment clearly and justifiably available from only one source or consultants providing professional or technical expertise of such a unique nature that the consultant is clearly and justifiably the only practicable source to provide the service.
- b. The Chief or designee, then the Board of Commissioners must approve a Sole Source Bid.
- c. A completed Sole Source form (FIN 306) is required.

**3. Special Facilities or Market Conditions (RCW 398.04.280(1)(b))**

- a. Special facilities or market conditions must be evaluated on a case-by-case basis. These are generally limited to good deals that are available for a short time, such as a very good price on an exceptional piece of used equipment, or the chance to buy supplies at a going-out-of-business sale or similar event.
- b. The Chief or designee, then the Board of Commissioners must approve a special facilities or market conditions.
- c. The Board shall adopt a resolution to waive competitive bidding requirements under for a special facilities or market conditions. The resolution must recite the factual basis for the exception.

**4. Insurance or Bonds (RCW 39.04.280(1)(d)).** The Department may purchase insurance or bonds without following public bidding requirements.

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5. **Auctions (RCW 39.30.045).** The Department may purchase any supplies, equipment, or materials at auctions without following public bidding requirements if the items can be obtained at a competitive price.
6. **State Purchasing Cooperative (Department of General Administration):** Purchases made from State Bid must be verified by obtaining the active State Contract Number. This number shall be maintained with the purchase document. To access, visit <http://des.wa.gov>.
7. **Piggybacking on Purchases Bid by Other Entities:** RCW 39.34.030 allows Northshore Fire Department to “piggyback” on one entity making purchases from a contract awarded by other entities via an interlocal agreement or contract.
  - a. The lead government agency must advertise for bids in compliance with its own statutory requirements. The Department may rely on the advertisement of the lead government agency, as long as that lead government agency met its own advertising requirements, even if they are different from the two local governments involved.
  - b. The Department must enter into an interlocal agreement to use another jurisdiction’s bid. Further, the lead government agency should ensure its request for bids allows for the eventual contract to be used by more than one local government agency. This is to ensure the vendor is obligated to provide their product or service to all involved parties, at the same price and terms agreed to with the lead government agency.
  - c. The lead government shall have posted the bid on a website or provided a link on the state’s web portal.
  - d. It is the responsibility of each local government agency to ensure they have met all applicable bid requirements, both in state law and local policy. The local government agency should be able to provide documentation showing how both the web-posting requirement was met, and the other bid award requirements were met.
  - e. The vendor must agree to the arrangement through the initial solicitation documents.

**ADDENDUM F:**

**PROFESSIONAL SERVICE CONTRACTS**

**DEFINITION:** **Professional Service:** Professional or technical expertise provided by a consultant to accomplish a specific study, project, task, or other work statements, including but not limited to, attorneys, accountants, appraisers, building maintenance contractors, consultants, trainers, physicians, etc.

1. **Competitive Bidding** is not required for professional service contracts; however, evidence of competition is required by the Department.
2. **Except as otherwise required by law, the Fire Chief** has the discretion to award professional service contracts under the amount of \$25,000 without the approval by the Board of Commissioners if the contract meets the needs of the Department. Professional service contracts over \$25,000 shall be approved by the Board of Commissioners.
3. **Evidence of Competition Procedure:**
  - a. Prepare written documentation/letter including a description of services required, project schedule, request for vendor/consultant’s qualifications, request for costs or fees, and the due date for responses.
  - b. Send to a minimum of three firms/individuals, which can be faxed or e-mailed, and responses should be returned via fax or e-mail to expedite processing. Obtain copies of standard marketing materials, if available.
  - c. Evaluate responses and prepare award recommendations to be submitted for approval by the Board of Commissioners at the next regular Board meeting.
  - d. After notice is given to the successful bidder, mail a notice of the decision to all unsuccessful bidders as soon as possible.
  - e. Enter into a contract and begin work.
  - f. **Documentation:** Forward the names of the firms solicited, a copy of solicitation document, bids received, the basis for an award decision, original contract, and any other information specific to the process to the Administrative Director (Public Records Officer).

**ADDENDUM G:**

**RELATED PARTY TRANSACTIONS:**

**DEFINITION:** A purchase or contract between the Department and an employee, relative of an employee, or business in which the employee has ownership or interest not to exceed \$1,500 in any calendar month.

Any related party transactions must have documentation of price comparisons and shall be forwarded to the Administrative Director (Public Records Officer). Phone quotes are acceptable.

**ADDENDUM H:**

**DISPOSAL OF SURPLUS PROPERTY**

Individuals responsible for administering the surplus property process shall forward all appropriate documentation to the Administrative Director (Public Records Officer). Individuals responsible for the surplus property process shall follow the procedures listed below:

1. **Surplus property** with an estimated value of **LESS THAN \$50,000** may be surplusd or disposed of per the following procedures:
  - a. A list of equipment to be surplusd or disposed of shall be compiled and submitted for review by the Deputy Chief of Support Services or designee. The list shall include the year, make, model, inventory ID number, and any other identifying information.
  - b. The list will be presented to the Board of Commissioners at a regular Board meeting for the Board to declare the equipment surplus to be sold or declare the equipment valueless to be destroyed.
  - c. Equipment to be sold as surplus may be sold on a “first-come, first sold” garage sale (for items of minimal value) or may be sold by sealed bid.
  - d. Notice of sales will be placed in at least one newspaper of general circulation within the District, plus three public posting locations within the district. Notices should be placed at least two weeks prior to sale.
  - e. The Department may use auctioneer services for the sales of surplus property in this category.
  - f. Receipts will be provided for all purchases over \$5.00.
2. **Surplus property** with an estimated value of **MORE THAN \$50,000** *requires* a public hearing (RCW 39.33.020).
  - a. **At least ten (10) days, but not more than twenty-five (25) days** prior to the public hearing, the notice of public hearing shall be posted on the Department’s website, portal, and sent to the local area newspaper.
  - b. Bids will be opened and presented to the Board of Commissioners for their review and approval.
  - c. Once the bid has been awarded by a motion from the Board of Commissioners, the successful bidder, and all unsuccessful bidders will be notified as soon as possible.
3. **Intergovernmental Disposition of Property:** Upon Board approval, the surplus property may be sold/transferred to other public agencies.

**ADDENDUM I:**

**PROCUREMENT USING FEDERAL FUNDS:** [https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200\\_main\\_02.tpl](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl)

1. **Whenever federal funds are used for purchases of goods, equipment, supplies, or materials not connected with a public works project. The following purchase thresholds shall apply:**
2. **Thresholds for procuring goods and services using Federal funds:**
  - a. **Goods and Services \$10,000 or less:** Do not require quotes however; the Department shall consider price to be reasonable, to the extent practical, and distribute purchases equitably among suppliers.
  - b. **Goods and Services Between \$10,000 - \$250,000:** Must be procured using price or rate quotations from three or more qualified sources.
  - c. **Goods and Services of \$250,000 or More:** Must use formal competitive bids (see Addendum D Competitive Bidding Process for the complete procedure).
3. **Procurement by a noncompetitive proposal may only be used when one of the following applies:**
  - a. The item is only available from a single source.
  - b. The public emergency for the requirement will not permit a delay resulting from the competitive solicitation.
  - c. The award agency authorizes a noncompetitive proposal in response to a written request from the District.
  - d. After solicitation of a number of sources, competition is determined inadequate.
4. **Suspension and Debarment:**
  - a. Before entering into the federally funded vendor contracts for goods or services that are equal or exceed \$25,000 and any subcontract award, the Department will ensure that vendor is not suspended or debarred from participating in federal assistance programs.
5. **Conflict of Interest:**
  - a. No employee may participate in the selection, award, or administration of a contract supported by federal funds if he/she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered a contract.
6. **Equipment:**
  - a. Equipment purchased with Federal funds should comply with their specific guidelines in maintaining, safeguarding, and tagging of equipment purchased.



**ADDENDUM I - TO POLICY ADMIN 6200 – *Purchasing***

**7. Disposal of Surplus Property:**

- a. The Department must follow Federal specific grant contract guidelines for disposal of surplus property purchased with Federal grants.

**8. Cash Management:**

- a. When the Department receives cash advances for allowable program costs, the Department shall minimize the time between the receipt of federal funds from the grantor and the disbursement of funds to the vendor providing goods and services. The Department shall expend any cash advance from the federal fund within 30 days of receiving the fund.
- b. The Department will track interest earned on cash advances and remit interest earnings exceeding \$500 back to the grantor.
- c. For all other federal fund receipts, the Department must follow the specific grant contract guidelines.