

Title: Procurement Policy

ISSUED BY: Interim Fire Chief Chris Swiger

RESCINDS: Original Policy

PURPOSE: To provide guidelines for the purchase of public works, goods and services by the district in order to maintain an accountable procurement process and to allow for the flexible application of these guidelines for more efficient and cost-effective purchases where their strict application would not be in the district's best interest.

CONTENT**1. Federal Funds**

1.1. When the district is utilizing federal funds for the purchase of equipment, materials, supplies, services or public works, district staff shall follow the federal procurement rules attached as **Exhibit A**. Otherwise, procurement shall be conducted in accordance with the following rules.

2. Purchasing Authority

2.1. The board of commissioners shall approve an annual budget that authorizes specific and general expenditures within certain budgetary limits. The board shall also review and approve all vouchers on at least a monthly basis.

2.2. The fire chief or designee shall have the authority to make expenditures within the general budgetary limits adopted by the board. However, the fire chief shall obtain advance board approval prior to making any specific expenditure that exceeds \$5,000.00 in value.

2.3. The routine re-ordering of materials, supplies and equipment, as defined and limited by the fire chief or designee, may be made by staff members without requiring any additional advance approval.

2.4. Purchases made using a bid exemption shall require formal action of the board of commissioners in the form of a resolution approving use of the bid exemption.

2.5. Purchases of goods or services outside of budgetary limits shall require approval by the board of commissioners.

2.6. In the event of an emergency the fire chief or in the fire chief's absence, a designee, may approve a purchase outside of the budget if it is not feasible to obtain approval of the board of commissioners but not in excess of \$5,000.00.

3. Purchase of Materials, Equipment and Supplies

3.1. Purchases under \$75,500:

3.1.1. No statutory process requirements. Staff shall use commercially reasonable means to make such purchases.

3.2. Purchases from \$75,500 to \$150,000:

3.2.1. Purchases must be made from one of the district's vendor list, designated purchasing cooperatives, or through a cooperative purchase or bid exemption, if applicable. If a purchase cannot be made through the district's vendor list, designated purchasing cooperative, cooperative purchase or bid exemption, the purchase must be made through competitive bidding procedures as if the purchase price exceeded \$150,000.

3.3. Purchases over \$150,000:

3.3.1. Formal sealed bidding procedure must be used unless purchase can be made through a cooperative purchase or bid exemption. Bids shall be awarded to the lowest responsible bidder as defined in **Exhibit B** or the bidder providing the best value to the district as defined in **Exhibit B**.

4. Public Works

4.1. Single-trade public works projects under \$75,500:

4.1.1. No statutory bidding procedures are required. Staff shall use commercially reasonable means to contract such public works.

4.2. Multi-trade public works projects under \$150,000:

4.2.1. No statutory bidding procedures are required. Staff shall use commercially reasonable means to contract such public works.

4.3. Single Trade Public Works Projects \$75,500 - \$350,000:

4.3.1. The district shall establish and use a small works roster.

4.4. Multi-trade public works projects from \$150,000- \$350,000:

4.4.1. The district shall establish and use a small works roster.

4.5. Public works projects over \$350,000:

4.5.1. Formal sealed bidding shall be used except in case of an emergency. Bids shall be awarded to the lowest responsible bidder as defined in **Exhibit B**.

4.6. Direct contracting under the small works roster for projects estimated to cost under \$150,000:

4.6.1. The district may seek quotes from all eligible contractors that have expressed interest in working in the district’s geographical area, ~~or~~

4.6.2. Use direct contracting:

4.6.2.1. The district shall follow its small business utilization plan when using direct contracting.

4.6.2.2. If six or more contractors meet the definition of small, minority, women or veteran owned businesses on the roster, the district may directly contract with one of those small businesses that have indicated interest in performing work in the district’s geographical area.

4.6.2.3. The district shall rotate through the eligible contractors and shall, when 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, use different contractors on different projects.

4.6.2.4. If there are five or less contractors meeting the definition of small business on the roster, the district may direct contract with any of those small businesses that have indicated interest in performing work in your geographical area.

4.6.2.5. Under both of the above procedures, the district shall notify all small, minority, women or veteran owned businesses on the district’s roster that the district is using direct contracting.

5. Services – Architects, Engineers and Land Surveyors

5.1. Option 1: The district shall use the request for quote (RFQ) process established under chapter 39.80 RCW prior to retaining the services of architects, engineers and land surveyors.

5.2. Option 2: The district is a member of the Municipal Research and services Center (MRSC) Rosters consultant roster and shall use the statements of qualifications submitted to MRSC Rosters to select a qualified architect, engineer or land surveyor.

6. Services – Telecommunications and Data Processing


6.1. The district shall use the competitive negotiation procedures established under RCW 39.04.270 when purchasing telecommunication and data processing services unless the purchase is made through a designated purchasing cooperative, cooperative purchase or bid exemption.

7. Services – Other

7.1. No statutory procedures required. District staff shall use commercially reasonable means to identify and contract with service providers.

Approved by:


Chairman Marvin Koorn


Interim Fire Chief Chris Swiger

Procurement Policy

Exhibit A

Purpose: Procurement policy for purchases or projects using federal funds.

1. Uniform Guidance Procurement Policy Compliance Statement: Contracts funded with federal grant or loan funds must be procured in a manner that conforms with all applicable federal laws, policies, and standards, including those under the Uniform Guidance (2 C.F.R. Part 200).

1.1. The policy of the district when spending federal funds is to follow the most restrictive rule applicable under the district's adopted procurement policy or under the Federal Uniform Guidance (2 C.F.R. 200, Subpart D) ("UG"). The purpose of this policy is to identify those areas where the Uniform Guidance requirements are the most restrictive rule. For any federal grant funded project, the specific federal grant guidelines should be closely reviewed, and the granting agency should be consulted as necessary to ensure compliance with the Uniform Guidance.

2. Equipment, Materials and Supplies: Follow district procurement policy except where noted below:

2.1. General Requirement: May not specify specific brands when equal products exist.

2.2. Cost under \$10,000: Use commercially reasonable methods. Fairly and equitably distribute service contracts.

2.3. Cost over \$10,000 or when value of goods purchased over prior fiscal year exceeds \$10,000: When purchase is for items designated by the EPA under 40 CFR Part 247, must procure items that contain the highest percentage of recovered materials consistent with maintaining a satisfactory level of competition. Consult 40 CFR 247.10 through .17 for full list but general items include paper and paper products, vehicle lubrication products, tires and parts, some construction products, and certain landscaping products.

2.4. Cost between \$10,000 and \$75,500: Use vendor list process or obtain quotes from an adequate number of qualified sources and award to lowest cost responsible bidder (**Note: best value bid awards not permitted**).

2.5. Cost between \$75,500 and \$250,000: Follow district procurement policy.

2.6. Cost over \$250,000: Conduct price/cost analysis prior to advertising for bids. Five percent bid bonds required when using sealed bid process.

- 2.7. Vendors that assist in drafting of bidding documents cannot be awarded the contract.
- 2.8. For all contracts in excess of \$10,000 must take affirmative steps to encourage small and minority firms and women-owned business participation.
- 2.9. Conduct federal debarment check on vendors prior to awarding bid. Cannot award if vendor is debarred.

3. Public Works Contracts

- 3.1. **Cost under \$10,000:** Use commercially reasonable methods, fairly and equitably distribute service contracts.
- 3.2. **Cost between \$10,000 and \$50,000:** Use small works roster process or obtain quotes from an adequate number of qualified sources and award to lowest cost responsible bidder (Note Best Value bid awards not permitted).
- 3.3. **Cost between \$50,000 and \$250,000:** Follow district procurement policy.
- 3.4. **Cost over \$250,000:** Cannot use small works roster, must use competitive sealed bidding. Conduct price/cost analysis prior to advertising for bids. Five percent bid bonds required when using sealed bid process.
- 3.5. Contractors that assist in the drafting of bidding documents cannot be awarded the contract.
- 3.6. For all contracts in excess of \$10,000 must take affirmative steps to encourage small and minority firms and women-owned business participation.
- 3.7. Conduct Federal Debarment check on contractor prior to awarding bid. Cannot award a contract if contractor is debarred.

4. Service Contracts other than Architects, Engineers and Surveyors: There are no state mandated bid requirements for service contracts. The Uniform Guidelines establish the following more restrictive requirements:

- 4.1. **Cost under \$10,000:** Use commercially reasonable methods, fairly and equitably distribute service contracts.
- 4.2. **Cost between \$10,000 - \$250,000:** Obtain quotes from an adequate number of qualified sources and award them to the lowest cost responsible bidder.
- 4.3. **Cost over \$250,000:** Use a competitive sealed bidding process following procedures used for public works. Conduct price/cost analysis prior to advertising for bids. Award to lowest responsive, responsible bidder. If conditions are not appropriate for using a

sealed competitive bid process may use the competitive negotiation process established under RCW 39.04.

- 4.4. Service providers that assist in drafting of bidding documents cannot be awarded the contract.
- 4.5. For all contracts in excess of \$10,000 must take affirmative steps to encourage small and minority firms and women-owned business participation.
- 4.6. Conduct federal debarment check on service provider prior to awarding bid. Cannot award if provider is debarred.
5. **Bid Exemptions:** Follow district procurement policy.
 - 5.1. For all costs over \$250,000, perform cost or price analysis prior to contracting. Must negotiate profit as separate element of the contract price.
 - 5.2. For all contracts in excess of \$10,000 must take affirmative steps to encourage small and minority firms and women-owned business participation.
 - 5.3. Conduct federal debarment check on contractor prior to awarding bid. Cannot award a contract if contractor is debarred.
6. **Cooperative Purchasing (Piggyback):** Strictly scrutinized under Uniform Guidance. Must be able to document that entity that went out for bid fully complied with Uniform Guidance in addition to complying with the local or state bid laws applicable to the entity.
 - 6.1. For all contracts in excess of \$10,000 must take affirmative steps to encourage small and minority firms and women-owned business participation.
 - 6.2. Conduct federal debarment check on contractor prior to awarding bid. Cannot award if contractor is debarred.
7. **Conflicts of Interest**
 - 7.1. The district follows the conflict-of-interest rules set forth in chapter 42.23 RCW and prohibits acceptance of gifts from contractors, vendors and service providers. The district's standards of conduct rules apply to all elected officials and all employees, volunteers and agents that are involved in the procurement process.

Procurement Policy**Exhibit B****Purpose: Definitions****Bid Exemptions:**

RCW 39.04.280 establishes specific exemptions from the statutory bidding requirements in the following limited situations: 1) Purchases that are clearly and legitimately limited to a single source of supply; 2) Purchases involving special facilities or market conditions; and 3) Purchases and Public Works in the event of an emergency.

Budget:

The formally adopted budget of the district.

Commercially Reasonable Means:

Any method of purchasing property that ensures the district and its taxpayers are getting the best deal possible. Examples could include negotiations, purchases, bidding procedures, obtaining multiple quotes, etc.

Cooperative Purchase:

A cooperative purchase allows the district to comply with the statutory bid requirements by purchasing from a bid that another municipal corporation has awarded or a purchase through a designated purchasing cooperative. Use of a cooperative purchase requires cooperative purchasing agreement with the municipal corporation that is going to bid or has gone to bid.

Best Value:

The basis for awarding bids for equipment, materials and supplies, which includes consideration of various factors determined by the district when going to bids, with price being a primary factor.

Designated Purchasing Cooperatives:

The following interlocal cooperative purchasing arrangements are authorized for use by the district in accordance with the requirements of the sponsoring agencies.

Department of Enterprise Services:

The Department of Enterprise Services, "State Bid", operates cooperative purchasing under chapters 43.19 RCW and 39.34 RCW.

Other Purchasing Cooperatives:

Other purchasing cooperatives as authorized by the fire chief that may be used when use of such cooperatives is in the best interest of the district. Examples include Houston Galveston Area Council (HGAC), National Purchasing Partners Government Division (NPPgov), Sourcewell Cooperative Purchasing, and King County Directors Association (KCDA) procurement services.

Emergency:

Unforeseen circumstances beyond the control of the district 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 (RCW 39.04.280(3)).

Public Work:

Means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the district, or which is by law a lien or charge on any property within the district (RCW 39.04.010).

Responsible Bidder:

In determining whether the bidder is a responsible bidder, the agency must consider the following elements:

Equipment, Materials and Supplies Purchases:

- a) The ability, capacity, and skill of the bidder to perform the contract or provide the service required.
- b) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
- c) Whether the bidder can perform the contract within the time specified.
- d) The quality of performance of previous contracts or services.
- e) The previous and existing compliance by the bidder with laws relating to the contract or services; and
- f) Other information that may be secured as having a bearing on the decision to award the contract.

Public Works Projects:

- a) Contractor(s) must have valid certificate of registration.
- b) Contractor(s) must have valid State UBI number.

- c) Contractor(s) must maintain workers compensation coverage and unemployment insurance coverage for all employees and maintain a state excise tax registration number.
- d) Contractor(s) cannot have been disqualified from bidding on any previous public works contract.
- e) Contractor(s) cannot have violated the state apprenticeship utilization requirements on any public works project during the one-year period prior to the District's Project.
- f) Contractor(s) must meet the statutory public works training requirements under RCW 39.04.350.

Small Works Roster:

A process authorized by RCW 39.04.155 that allows the district to publish and maintain a roster of contractors available to perform public works contracts. The District can establish and maintain its own roster or join a cooperative roster such as MRSC Rosters.

Single-Trade Public Works Project:

Projects that require only a single contractor performing a single trade as identified in chapter 296-127 Washington Administrative Code.

Multi-Trade Public Works Project:

Projects that require contractors or subcontractors to perform two or more of the trades as identified in chapter 296-127 Washington Administrative Code.

Sole Source Procurement:

Non-competitive selection process to procure a product of service from a sole source vendor. If an item, even a specific name brand, is available from more than one vendor, it is not appropriate to declare the purchase sole source.

Vendor List:

A process authorized by RCW 39.04.190 that allows the district to publish and maintain a roster of vendors available to sell equipment and supplies to the district. The district can establish and maintain its own roster or join a cooperative roster such as MRSC Rosters.