



Purchasing Approval And Payment Authority Policy #1031

Purpose:

This policy outlines roles and responsibilities regarding the purchase of goods and services, payment authority and District approval requirements for purchase orders, and contracts including but not limited to: task orders, modifications, amendments, addendums and change orders, and guidelines for use of District issued purchasing cards, fuel cards and store accounts.

This policy applies to all employees and officials of the District when engaged in the process of purchasing or acquisition of goods, services, and work for the District. Individuals with approval authority for purchases, invoices, or payments are accountable for ensuring:

- The purchase was made in the conduct of District business.
- The goods and services have been received and are satisfactory.
- The amount of the invoice meets the agreed upon price.
- The expenditure has been charged to the proper budget/account.
- The transaction is processed in a timely fashion.
- The purchase adheres to Administrative Practice and Procedure (AP&P) #2049 Procurement of Goods and Services.

All purchases shall comply with appropriate and relevant Federal and State laws. If the Federal or State laws, regulations, grant or debt requirements are more restrictive than these guidelines, such laws, regulations, or requirements shall be followed.

Definitions:

Best Price: Purchases should be made based on the District's inquiries and experience and knowledge of the market to obtain the best quality product at the best price.

Credit Card Holders/Users: Employees and Officials who have been issued or use a District Fuel Card, Purchasing Card, or store account.

Fuel Card: A District issued card for the sole purpose of fueling District vehicles or equipment at authorized fueling stations.

Goods and Services: These include travel expenses, registration, material, labor, fuel, equipment and personal and professional services.

Pre-approval: Documentation such as a purchase order or email, which clearly outlines the District employee or Official's consent to allow the credit card user to transact on behalf of the District for the purchase of goods or services.

Purchase: Any commitment of District funds made by a District employee or official for the purchase of goods and services. Purchases may be made by purchase order, contract, change order, invoice, P-Card, Fuel Card, etc.

Purchasing Card (P-Card): A District issued credit card that enables designated card holders to make transactions for goods and non-prevailing wage services on the District's behalf.

Supporting Documentation: Original (or copies of) invoices, itemized receipts, packing slips and other documents that prove pre-approval and receipt of a purchase. Any invoices or receipts that are replaced by copies must be initialed by an employee with the authority to approve the purchase.

Implementation:

1. **Responsibilities**

Accounts Payable is responsible for reviewing and reconciling all credit card statements with supporting documentation to ensure accuracy of coding for each purchase and performing final review of all invoices prior to submission to the Board of Commissioners for approval.

Credit card holders/users are responsible for providing all of the supporting documentation and coding for each purchase, safeguarding cards against loss, theft and unauthorized use; and understanding the rules and limitations of use of the cards issued to them.

District employees and Officials are responsible for understanding AP&P #2049 **Procurement of Goods and Services**, for getting pre-approval for all purchases above their spending authority and providing supporting documentation.

Warehouse is responsible for receiving all purchases and verifying them against the purchase order. Items charged to house/store accounts, but not delivered will be certified by card user.

2. **Approval Authority**

The District adheres to RCW 39.04 and RCW 54.04 that establishes the monetary limits and the process to approve all purchases. The Board of Commissioners has established the following maximum purchasing limits by position. Individual limits may be less than shown based on the specific needs of the department and/or position.

| <u>Position</u> | |
|----------------------------------|-----------|
| General Manager | \$120,000 |
| Department Manager | \$ 30,000 |
| Supervisor/Superintendent | \$ 5,000 |
| Mechanic/Electrician/Storekeeper | \$ 1,500 |

Approval authority is established to provide an efficient and timely method to obtain supplies and materials, equipment, and services as well as protect District resources.

The authority limits are applicable to the original purchase amount and any subsequent change order(s) dollar amounts (individually). If the amended purchase amount or amended contract dollar amount exceeds an employee's approval limit, an employee with a higher purchasing level must approve the change order.

For Board of Commissioner approved purchases or awards, the General Manager is authorized to approve changes within the established spending authority, and will notify the Commission if the amended contract amount after the change order is greater than twenty percent (20%) of the original purchase amount. The Commission may grant project or contract specific purchasing authority through Commission motion or resolution.

3 Procurement practices and procedures

3.1 Material, Supplies, or Equipment

Procedures for the procurement of material, supplies, or equipment are described in Administrative Practice and Procedure #2049 ("Procurement of Goods and Services").

3.2 Public Works and Establishment of a Small Work Roster

The District will follow RCW 39.04 as it applies to public utility districts when procuring public works contracts.

The District elects to establish its own small works roster in accordance with RCW 39.04 (including RCW 39.04.010, RCW 39.04.151, and RCW 39.04.152).

Procedures for the procurement of public works contracts, and for the District's small works roster, are described in Administrative Practice and Procedure #2049 ("Procurement of Goods and Services").

3.3 Architectural and Engineering Services, Electronic Data Processing and Telecommunications Systems, Purchased Services, or Personal Services

The District will follow RCW 39.80 when procuring architectural, landscape architectural, engineering, and land surveying services. The District will follow RCW 39.04.270 when procuring Electronic Data Processing and Telecommunications Systems.

Procedures for the procurement of Architectural and Engineering Services, Electronic Data Processing and Telecommunications Systems, purchased services, or personal services are described in Administrative Practice and Procedure #2049 ("Procurement of Goods and Services").

4. Purchasing Cards

Purchasing authority for each P-Card user shall be established on a case-by-case basis by the General Manager. A single transaction limit and a monthly transaction limit will be established for each individual based on their responsibilities and needs. Card holders will not split purchases to circumvent established limits.

5. Emergency Work

Notwithstanding the paragraphs above, the General Manager may authorize emergent or emergency work to proceed, which may result in the original dollar amount being exceeded. The Commissioners will be notified in accordance with RCW 39.04.280 when applicable.

6. Sealed Bids

The General Manager will present all formal solicitations for Bids, Request for Proposals, and Request for Qualifications for projects with an estimated cost of \$120,000 or more to the Commission with a recommendation for award of the contract to the lowest responsive and responsible bidder.

7. Interagency and Interlocal Agreements

All Interagency and Interlocal agreements shall be approved by the Board of Commission. Amendments to these agreements that simply extend the term of the agreement may be approved by the General Manager.


8. Real Property

All contracts and agreements that relate to District real property shall be approved by the Board of Commission. Developer dedicated easements and land are considered approved at project acceptance.

9. Compliance with Policy

A violation of any of the provisions of this policy may result in discipline to the individual involved where, in the opinion of the General Manager such discipline is in the interest of the public and good government.

Employees should be aware of possible personal penalties, termination, and financial liability for intentional or willful violation of competitive bidding laws and/or the purchasing policy.

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Final Audit Report

2025-02-12

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