



Procurement of Goods and Services Administrative Practice & Procedure #2049

PURPOSE:

It is the policy of the District in its procurement and purchasing functions to obtain necessary supplies, material, and equipment and to enter into public works and other services contracts at the lowest total cost, with specific consideration given to the principles of quality, functionality, overall cost-effectiveness, and timeliness.

All procurement activities by the District shall comply with appropriate and relevant Federal and State laws, this Administrative Practice & Procedure (AP&P), the District's Purchasing Policy #1031, and prudent utility practices. If the Federal or State law, regulation, or grant requirement is more restrictive than these guidelines, such laws, regulations, or requirements should be followed (see Attachment A). In the event of statutory or regulatory changes, this AP&P shall be amended or revised as necessary. All procedures shall be approved by the General Manager and implemented in a manner to comply with applicable legal requirements.

OBJECTIVES:

The objectives of the District's purchasing program are as follows:

- To obtain competitive pricing
- To provide a uniform system to obtain supplies, materials, equipment, and services in an efficient and timely manner.
- To facilitate responsibility and accountability with the use of District resources.
- To ensure equal opportunity and competition amongst vendors and contractors.
- To promote effective relationships and clear communication between the District and vendors and contractors.
- To comply with State procurement statutes governing expenditures of public funds.

SCOPE:

These guidelines apply to purchases of:

- Materials, supplies, or equipment
- Public works projects
- Architectural and Engineering Services, Electronic Data Processing and Telecommunications Systems, Purchased Services, or Personal Services
- Intergovernmental Cooperative Purchases
- Competitive Bidding Exemptions

PURCHASING CODE OF ETHICS:

All District employees and officials shall conduct themselves in a manner that follows this Administrative Practice & Procedure and is in the best interest of the District.

Proper purchasing procedure requires:

- Actions of District employees and officials to be impartial and fair,
- District purchasing decisions are made by the proper authorities,
- As described in District policy related to ethics in the workplace, District employees and officials may not solicit, accept, or agree to accept any gifts or gratuity for themselves, their families or others.

POTENTIAL CONFLICTS:

If an employee or official has any influence on transactions involving purchases, contracts, or leases, it is imperative that they immediately disclose to the General Manager the existence of any actual or potential conflict of interest so safeguards can be established to protect all parties.

SECTION 1 PURCHASES OF MATERIALS, SUPPLIES, OR EQUIPMENT

1.1. Purchases of materials, supplies, or equipment – thresholds.

1.1.1 Definition: For purposes of this section, “same kind of materials, equipment, and supplies” will mean items of a similar nature and use (RCW 54.04.070).

1.1.2 Purchases of the same kind of materials, supplies, or equipment in an amount up to \$30,000, or less than \$12,000 of the same kind of items in any one calendar month, exclusive of sales tax. The District is not required to use informal or formal competitive procurement procedures. However, the District will attempt to obtain the lowest practical price for such materials, supplies, or equipment. The District will not divide purchases of the same kind of materials, supplies, or equipment during a calendar month in order to avoid exceeding these thresholds.

1.1.3 Purchases of the same kind of materials, supplies, or equipment in an amount greater than \$30,000 but less than \$120,000, exclusive of sales tax. Competitive written quotes are required from at least three (3) vendors. The District will contact vendors from its roster before contacting potential vendors not on the roster. The District will not divide purchases of the same kind of materials, supplies, equipment during a calendar month in order to avoid exceeding the threshold. The lowest responsible bidder is awarded the purchase.

1.1.4 Purchases of the same kind of materials, supplies, or equipment in an amount greater than \$120,000, exclusive of sales tax: Competitive bidding using sealed bid procedures and public advertisement. The District shall enter into a contract for purchases in this category RCW 54.04.080. Award to the lowest responsive and responsible bidder.

1.1.5 Solicitation procedures for materials, supplies, or equipment will vary with the size and complexity of the contract. Small contracts may not warrant a full formal bid process that a larger contract may require.

Level of Competitive Solicitation

	Minimal	Informal	Formal
Monetary threshold	\$1-\$30,000 or \$12,000 of same kind of material per month	\$30,001- \$120,000	\$120,001 or More
Evaluation	Simple set criteria	Detailed criteria, select from documented quotes	Detailed criteria, lowest responsible vendor
Number of Firms	1 vendor from roster solicited for quotes	Minimum of 3 vendors from roster solicited for quotes	Public Advertisement
Bid Format	Obtain Best Price	Competitive Quotes	Competitive Bidding using Sealed Bids
Contract	Invoice	Purchase Order	Contract Required

1.2. Purchase Contract Process – Other than formal sealed bidding

1.2.1 This section provides a uniform process to award contracts for the purchase of any materials, equipment, or supplies other than the requirement for formal sealed bidding. In accordance with RCW 39.04.190, at least once a year, the District shall publish, in a newspaper of general circulation, notice of the existence of a roster(s) of vendors for materials, supplies, and equipment, and shall solicit names of vendors for the roster. The District will contact vendors on the roster for purchases before contacting potential vendors not on the roster. The District will make contact by telephone or by writing. Procedures of purchase by this method shall include the following:

- a. A written description shall be drafted of the specific materials, supplies, or equipment to be purchased, including the number, quantity, quality, and type desired, the proposed delivery date, and any other significant terms of purchase;
- b. A District representative shall make a good faith effort to contact the required minimum number of vendors on the roster(s), depending on the estimated value of the purchase, to obtain solicitation quotations from the vendors;
- c. The District representative shall not share quotations from one vendor with other vendors being solicited for quotations;
- d. A written record shall be made by the District representative of each vendor's quotation and of any conditions imposed on the bid by such vendor;
- e. The District representative shall present to the General Manager or his/her designee, all quotations and recommendation for award of the contract to the lowest responsible vendor.

1.3. Purchases of materials, supplies, or equipment – Bid awards, Considerations, and Requirements.

1.3.1. The District shall purchase materials, supplies, or equipment from the lowest responsive and responsible vendor, provided that whenever there is reason to believe the lowest acceptable bid is not the best price obtainable, all quotations may be rejected, and the District may obtain new quotations.

1.3.2. Purchases of materials, supplies, or equipment by competitive bidding shall be awarded to the lowest responsive and responsible bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

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

- a. The ability, capacity, and skill of the bidder to perform the contract or provide the services required;
- b. The character, integrity, reputation, judgement, 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 contract or services;
- e. The previous and existing compliance by the bidder with laws relating to the contract or services; and
- f. Such other information as may be secured having a bearing on the decision to award the contract.

1.3.3. The District will secure written quotes to assure that a competitive price is established and for awarding the contracts for the purchase of materials, supplies, or equipment to the lowest responsible bidder as defined in RCW 39.26.160, which allows consideration of best value criteria, including but not limited to the following:

- a. Whether the bid satisfies the needs of the District as specified in the solicitation documents;
- b. Whether the bid encourages diverse contractor participation;
- c. Whether the bid provides competitive pricing, economies, and efficiencies;
- d. Whether the bid considers human health and environmental impacts;
- e. Whether the bid appropriately weighs cost consideration; and
- f. Life-cycle cost.

1.4. Purchases of materials, supplies, or equipment- awarding and posting procedures.

1.4.1. The General Manager, or his/her designee, shall review quotations and recommendations by District staff and award the contract to the lowest responsible vendor. Immediately after the award is made, the bid quotations obtained shall be recorded, open to public inspection, and

available by telephone inquiry. A contract awardee pursuant to this section need not be advertised.

SECTION 2 CONTRACTING FOR PUBLIC WORKS PROJECTS

2.1 Public Works Projects – thresholds

RCW 39.04.010 defines “public work” as all work, construction, alteration, repair or improvement other than ordinary maintenance. Ordinary maintenance is defined as any work performed on a regularly scheduled basis (e.g., daily, weekly, monthly, seasonally, semiannually, 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 the asset to avoid repairs.

Public works projects less than \$350,000, exclusive of sales tax, shall be by contract and procured through the small works roster procedures, or the District may elect to use the publicly advertised sealed bid procedures for specific projects of this size.

Public works projects greater than \$350,000, exclusive of sales tax, shall be by contract and procured by competitive bidding using publicly advertised sealed bid procedures.

The District shall award the contract for the public works project to the lowest responsible bidder provided that, whenever there is a reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected by the Commission in accordance with RCW 54.04.070(8).

For public works contracts greater than \$120,000, the General Manager shall present to the Commission the results of the invitation for bids and a recommendation for award of the contract to the lowest responsible bidder.

A responsible bidder shall be a registered and/or licensed contractor who meets the mandatory bidder responsibility criteria established by RCW 39.04.350 and who meets any supplementary bidder responsibility criteria established by the District. The Bidder may be required by the District to submit documentation demonstrating compliance with these criteria.

Solicitation procedures for Public Works Projects will vary with the size and complexity of the contract. Small contracts may not warrant a full formal bid process that a larger contract may require.

Level of Competitive Solicitation

	Limited	Informal	Formal
Monetary threshold	Under \$120,000	\$120,001 - \$350,000	\$350,001 or more
Evaluation	Simple set criteria, lowest responsible bidder	Detailed criteria, lowest responsible bidder	Detailed criteria, lowest responsible bidder
Number of firms	Invite quotations from the entire applicable small works roster, or publicly advertise for competitive sealed bids	Invite quotations from the entire applicable small works roster, or publicly advertise for competitive sealed bids	Publicly advertise for competitive sealed bids
Bid format	Competitive bidding by written or electronic quotations	Competitive bidding by written or electronic quotations	Publicly advertised competitive sealed bid
Contract	Contract required	Contract required	Contract required

All public works projects shall be by contract. However, the Commission may have its own regularly employed personnel perform work which is an accepted industry practice under prudent utility management without a contract. For purposes of this section, “prudent utility management” means performing work with regularly employed personnel utilizing material of a worth not exceeding \$300,000 in value without a contract. This limit on the value of material being utilized in work being performed by regularly employed personnel shall not include the value of individual items of equipment purchased or acquired and used as one unit of a project (RCW 54.04.070).

The District may in its best interest reject any and all bids.

2.2 Public Work Projects – Retainage and Bonding

For small public works contracts under \$5,000, exclusive of sales tax, there is no requirement for retainage or performance bonds.

For public works contracts between \$5,000 and \$150,000, exclusive of sales tax, at the request of the contractor the District may retain ten percent of the contract in lieu of a performance bond amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the Department of Revenue, Employment Security Department, and Department of Labor and Industries, and the settlement of any liens, whichever is later. If a performance and payment bond is provided by the contractor, the District may waive the retainage requirement for public works contracts between \$5,000 and \$30,000, exclusive of sales tax.

A performance and payment bond and retainage are required for public works projects of \$150,000 and greater, exclusive of sales tax.

2.3 Public Works Projects – Unit Price Bids

The District may procure public works with a unit priced contract under RCW 54.04.070 for the purpose of completing anticipated types of work based on hourly rates or unit pricing for one or more categories of work or trades.

2.4 **Public Works Projects – Small Works Roster**

In accordance with RCW 39.04.010, RCW 39.04.151, and RCW 39.04.152, the District may establish one or more small works rosters for different specialties, categories of anticipated work, or geographic areas served by contractors on the roster that have registered for inclusion on that particular roster.

The small works roster(s) shall consist of all responsible contractors who have requested to be on the list, and where required by law, are properly licensed or registered to perform such work in this state in accordance with RCW 39.04.350. Application forms shall be available from the District.

Contractors desiring to be placed on a roster(s) shall indicate if they meet the definition of women and minority-owned business as described in RCW 39.19.030(7)(b), veteran-owned business as defined in RCW 43.60A.010, or small business as defined in RCW 39.04.010, and must keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the District as a condition of being placed on the roster(s).

At least once a year, the District shall publish in a newspaper of general circulation and provide the Office of Minority and Women’s Business Enterprises’ directory of certified firms a notice of the existence of the roster(s) and solicit contractors for the roster(s). Responsible contractors shall be added to the appropriate roster(s) at any time they submit a written request and the necessary records. Contractors must agree and be able to receive notifications and other communications via email.

An interlocal contract or agreement between the District and other government agencies establishing a small works roster(s) to be used by the parties to the agreement or contract must clearly identify the lead entity that is responsible for implementing the small works roster provisions.

Invitations for bids shall include an estimate for the scope of work including the nature of the work to be performed as well as the materials and equipment to be furnished. Detailed plans and specifications need not be included. Written or electronic quotations shall be invited from all contractors on the applicable small works roster at the time of bid solicitation.

The District shall award the contract to the responsible bidder with the lowest responsive bid. After an award is made, the bid quotations obtained shall be recorded and posted on the District’s website. Annually, the District shall publish on its website a list of small works contracts awarded. The list shall contain the name of the contractor, contract amount, brief description of the type of work performed, award date, and location where bid quotations for these contracts are publicly available.

Use of the small works roster may not be allowed for projects that receive federal funding, depending on the specific funding program requirements.

2.5 **Apprenticeship Utilization Requirements**

In accordance with RCW 39.04.010 and RCW 39.04.320, for all public works contracts estimated to cost \$2,000,000 or more, exclusive of sales tax, specifications must require that no less than 15 percent of the labor hours be performed by apprentices in approved training programs. For contracts advertised for bid on or after July 1, 2026, for all public works contracts

estimated to cost \$1,500,000 or more, specifications must require that no less than 15 percent of the labor hours be performed by apprentices. For contracts advertised for bid on or after July 1, 2028, all public works contracts awarded by a municipality estimated to cost \$1,000,000 or more, specifications must require that no less than 15 percent of the labor hours be performed by apprentices.

SECTION 3 PROCUREMENT OF ARCHITECTURAL AND ENGINEERING SERVICES, ELECTRONIC DATA PROCESSING AND TELECOMMUNICATIONS SYSTEMS, PURCHASED SERVICES, OR PERSONAL SERVICES,

- 3.1 The District will follow RCW 39.80 when procuring architectural, landscape architectural, engineering, and land surveying services. Procurement of these services shall be by contract.
- 3.2 The District will follow RCW 39.04.270 or use Washington State Procurement Program Procedures when procuring Electronic Data Processing and Telecommunications Systems. Procurement of these services shall be by contract.
- 3.3 Purchased services are non-public works activities for routine, continuing, and necessary activities that mostly relate to physical activities that are usually repetitive, routine, or mechanical in nature, and involve minimal decision-making.
- 3.4 Personal services involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. The activity or product is mostly intellectual in nature. Procurement of these services shall be by contract.
- 3.5 **Contract process – other than formal RFQ/RFP process**

At least once a year, the District shall publish notification of the roster(s) in a newspaper of general circulation notice and solicit submissions from vendors for architectural and engineering services, electronic data processing and telecommunications systems, purchased services, and personal services. The District will contact firms on the roster for these types of services before contacting potential firms not on an applicable roster

Selection of firms can occur in three main scenarios:

- a. With no roster, the District will advertise for services for individual projects or for the establishment of a new roster for a specific specialty. Advertisements for individual projects may combine the RFQ and RFP processes and may include interviews.

Best practice supports interviewing firms as part of the selection process on projects solicited through the formal process.

- b. With a roster, the District may select firms from the roster and ask them to respond to RFPs for individual projects, with or without interviews. Best practice supports interviewing firms as part of the selection process on projects solicited through the formal process.

- c. Even with a roster, for certain projects, the District may choose to advertise its specific need for services and selects firms based on the RFQ submittals and then decide to interview those firms using a committee.

Qualification - Based Selection Criteria: The District shall evaluate current statements of qualifications and performance data on file with the District, together with those that may be submitted by other firms regarding the proposed project, and shall conduct discussions with one or more firms regarding anticipated concepts and the relative utility of alternative methods of approach for furnishing the required services and then shall select therefrom, based on criteria established by the District, the firm deemed to be most highly qualified to provide the services required for the proposed project.

Solicitation procedures will vary with the size and complexity of the contract scope and estimated cost. Small contracts may not warrant a full RFQ/RFP process that a larger contract may require.

3.6 **Contract process – Formal RFQ/RFP process**

Formal **Requests for Qualification/Proposal Processes shall be used for** Projects where the estimate for the scope of services exceeds \$120,000, and will be publicly advertised through a project-specific notice

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

- a. Description of services required
- b. Contact information for District representative
- c. Project schedule
- d. Request for consultant's qualifications
- e. Request for costs or fees (not for A/E services)
- f. Due date for responses
- g. Evaluation criteria and process
- h. Acceptable method for return of proposal request documents (i.e., fax, email and regular mail)

Formal Request for Qualification Evaluation - The District shall provide reasonable procedures for evaluation of the RFP/RFQs received. The evaluation team shall consist of a minimum of three (3) evaluators, will evaluate proposals strictly against criteria set forth in the RFP/RFQ, and will score and determine ranking of the proposals. Interviews are not required but can be used as part of the evaluation process. The evaluation team will determine final scoring and select the apparent most qualified firm.

Contract Negotiation - The District shall negotiate a contract with the selected firm and notify unsuccessful proposers, if requested.

Level of Competitive Solicitation

	Minimal	Informal	Formal
Monetary threshold	Under \$30,000	\$30,001 -120,000	\$120,001 or more
Evaluation	Simple set criteria, select qualified firm(s) for proposals from roster	Detailed criteria, select most qualified firms(s) for proposals from roster; evaluations by panel	Public advertisement for SOQ or RFP; detailed criteria, select most qualified firms(s) for proposals, consider interview and reference check; evaluations by panel
Number of proposals	1	1 (Minimum of 3 on non-A&E projects*)	Minimum of 3
Number of evaluators	1	Minimum of 3	Minimum of 3
Optional annual short-list of most qualified firms for rotation?	Yes; maximum short-list of three firms	Yes; maximum short-list of three firms	No, specific advertisement for each project

*The informal process for non-A&E projects is intended to solicit a larger number of proposals to allow for more competition regarding the cost components of a proposal.

SECTION 4 INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENTS

4.1 RCW 39.34 allows the District to join with other governmental agencies for the purchase of supplies, equipment, or services. This is done by entering into a written Intergovernmental Cooperative Purchasing Agreement (also known as an “Interlocal Agreement”).

4.1.1 Prior to making a purchase under such an agreement, the District must ensure that the procedure used by the agency that originally awarded the bid, proposal, or contract is allowable with the District’s purchasing policy. The originating agency must also have fulfilled one of two additional public notice requirements:

- a. Posted the bid or solicitation notice on a web site established and maintained by a public agency, purchasing cooperative, or similar service provider, for purposes of posting public notice of bid or proposal solicitations.
- b. Provided an access link on the state’s web portal to the notice.

The District may also make a bid call with another government entity as a joint purchase that complies with the procurement requirements of both jurisdictions.

When practical, the District should include language in its solicitations that allows other public agencies to purchase from the District’s contracts or purchase orders, provided that other agencies provide similar rights and reciprocal privileges to the District.

Pursuant to RCW 39.34.030, the District may make purchases through state contracts. The District has signed a Master Contracts Usage Agreement with the Department of Enterprise

Services (“DES”). The DES’ webpage provides information and instructions for making purchases with the state contract.

SECTION 5 COMPETITIVE BIDDING EXEMPTIONS

5.1 Exemptions to the competitive processes are established in RCW 39.04.280 and outlined as follows.

5.1.1 Competitive bidding requirements may be waived for:

- a. Purchases that are clearly and legitimately limited to a single source capable of supplying the goods or services in a timely manner;
- b. Purchases involving special circumstances or market conditions that result in only one appropriate source. (This includes parts & services for equipment, chemicals, computer hardware / software that the District is already using);
- c. Purchases and/or public works in the event of an emergency;
- d. Purchases of insurance or bonds.

5.1.2 When the desired product is subject to a natural monopoly and advertising for bids would result in only one bid, the requirement of obtaining competitive bids may be waived. This is applicable when the purchase is clearly and legitimately limited to a single source of supply and:

- a. District employees have conducted a screening process whereby a purchase of a specific product is justified;
- b. District employees can draft legitimate specification to which only one vendor can successfully respond;
- c. The product is available only through one manufacturer or distributor; or
- d. The vendor certifies that the District is getting the lowest price it offers.

5.1.3 For purposes of this section “emergency” means unforeseen circumstances beyond the control of the District that either:


- a. Present a real, immediate threat to the proper performance of essential functions;
- b. Will likely result in material loss or damage to property, bodily injury, or loss of life if immediate action is not taken.

5.2 Purchases may be made from a sole source vendor without soliciting other quotes or bids. In nonemergency situations, written documentation demonstrating the appropriateness of a sole source purchase shall be submitted to the Finance Department in advance of the purchase (Appendix C). The Finance Manager and General Manager (Attorney when needed) will evaluate whether a vendor can legitimately be defined as a sole source. The General Manager shall provide the Board with the basis of all sole source determinations.

5.3 In accordance with RCW 39.04.280, if an emergency exists, the General Manager may:

- a. Declare an emergency situation exists
- b. Waive competitive bidding requirements
- c. Award all necessary contracts on behalf of the District to address the emergency situation.

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 General Manager and duly entered of record no later than two weeks following the award of the contract.

Former Title/Policy #:	Resolution 2167-10
Board Approval Date:	1/26/21
Effective Date:	1/26/21
Revision Date:	2/11/25
General Manager Signature: 	Date: 02/11/2025

APPENDIX A FEDERAL AWARD STANDARDS

Purpose:

The purpose of these standards is to establish and maintain internal controls to provide reasonable assurance that expenditures of Federal funds are managed in compliance with all Federal regulations and with the terms and conditions of the award. The District will follow the Uniform Guidance, the Local Agency Guidelines (LAG) distributed by The Washington State Department of Transportation (WSDOT), Government Accountability Office Standards for Internal Control in the Federal Government (the Green Book), and the Committee of Sponsoring Organizations of the Treadway Commission's (COSO) Internal Control – Integrated Framework Principles included as Attachment A.

Internal Controls:

The District will maintain effective internal control over the Federal award providing reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.
- Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive.
- Follow the process workflow included as Attachment B.

Certification:

To assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets, the annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.”

Advance Payments and Reimbursements:

Payment methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the District whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means.

- Advanced payments must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the District to carry out the purpose of the approved program or project. Any advanced payments must be consolidated to cover anticipated cash needs.
- The District shall minimize the time elapsed between receipt of federal aid funds and subsequent payment of incurred costs.

Allowable Costs:

Federal awards will meet the following general criteria in order to be allowable except where otherwise authorized by statute;

- Be necessary and reasonable for the performance of the Federal award;
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items;
- Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District;
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as cost or used to meet cost sharing or matching requirements of any other Federally financed program in either the current or a prior period;
- Be adequately documented.

Procurement:

When procuring property and services under a Federal award, the District will follow 2 CFR §200.318 General procurement standards through §200.326 Contract provisions or District purchasing procedures whichever is more restrictive. The following table outlines procurement requirements when using Federal funds.

Procurement Method	Goods	Services
<p>Micro Purchase – No required quotes. However, must consider price as reasonable, and to the extent practical distribute equitably among suppliers.</p>	<p>\$3,000 federal threshold \$30,000 District threshold</p> <p><i>Must use</i> more restrictive \$3,000 federal threshold</p>	<p>\$3,000 federal threshold \$30,000 District threshold (services) Not allowed by District for public works</p> <p><i>Must use</i> more restrictive \$3,000 federal threshold for services, and <i>Must use</i> more restrictive District threshold for public works</p>
<p>Small Purchase Procedures (Informal) Obtain/document quotes from a reasonable number of qualified sources (at least three)</p>	<p>\$250,000 federal threshold \$30,001 - \$120,000 district threshold</p> <p><i>Must use</i> more restrictive District threshold</p>	<p>\$250,000 federal threshold \$30,001 - \$120,000 District threshold (services) \$0-\$120,000 District threshold (public works)</p> <p><i>Must use</i> more restrictive District thresholds</p>
<p>Sealed Bids / Competitive Bids (Formal)</p>	<p>Over \$250,000 federal threshold Over \$120,00 district threshold</p> <p><i>Must use</i> more restrictive District threshold</p>	<p>Over \$250,000 federal threshold Over \$120,000 district threshold</p> <p><i>Must use</i> more restrictive District threshold</p>
<p>Competitive Proposals</p>	<p>Used when conditions are not appropriate for the use of sealed bids.</p> <ul style="list-style-type: none"> • Must publicize request for proposals soliciting from an adequate number of qualified sources • Maintain written method for conducting technical evaluations <p>Contract must be awarded to the responsible firm whose proposal is most advantageous to the program</p>	
<p>Non-Competitive Proposals</p>	<p>Appropriate only when:</p> <ul style="list-style-type: none"> • Available only from a single source; or <ul style="list-style-type: none"> • Public emergency; and • Expressly authorized by awarding or pass-through agency in response to written request from the District; or <p>After soliciting a number of sources, competition is deemed inadequate.</p>	

Contracts for more than the simplified acquisition threshold currently set at \$250,000 must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms and provide for such sanctions and penalties as appropriate.

Contracts and sub-grants of amounts in excess of \$250,000 requires that the District will comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

The District will monitor procurements to avoid duplicative purchases. The District will also continue to enter into inter-entity agreements to realize cost savings for shared goods and services when possible.

Verify and document that vendors are not suspended or debarred from doing business with the Federal government.

Single Audit Act:

The District, as a recipient of Federal funds, shall adhere to the Federal regulations outlined in 2 CFR §200.501 as well as all applicable Federal and State statutes and regulations.

Closure:

A project agreement end date will be established in accordance with 2 CFR §200.309. Any costs incurred after the project agreement end date are not eligible for Federal reimbursement.

DISTRICT CODE OF CONDUCT

Purpose:

The purpose of the Code of Conduct is to ensure the efficient, fair, and professional administration of federal grant funds in compliance with 2 CFR §200.112, 2 CFR §200.318 and other applicable federal and state standards, regulations, and laws.

Application:

This Code of Conduct applies to all elected officials, employees, or agents of the District engaged in the award or administration of contracts supported by federal grant funds.

Requirements:

No elected official, employee, or agent of the District shall participate in the selection, award or administration of a contract supported by federal grant funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when any of the following has a financial or other interest in the firm selected for award:

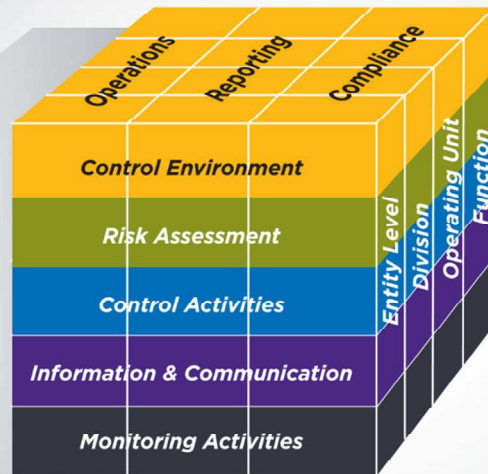
- The District employee, elected official, or agent; or
- Any member of their immediate family; or
- Their partner; or
- An organization which employs or is about to employ any of the above.

The District's elected officials, employees or agents shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or subcontractors.

Remedies:

To the extent permitted by federal, state, or local laws or regulations, violation of these standards may cause penalties, sanctions, or other disciplinary actions to be taken against the District's elected officials, employees or agents, or the contractors, potential contractors, subcontractors, or their agents. Any potential conflict of interest will be disclosed in writing to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

COSO Internal Control — Integrated Framework Principles



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Control Environment

- 1 The organization demonstrates a commitment to integrity and ethical values.
- 2 The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- 3 Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- 4 The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- 5 The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

Risk Assessment

- 6 The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.
- 7 The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.
- 8 The organization considers the potential for fraud in assessing risks to the achievement of objectives.
- 9 The organization identifies and assesses changes that could significantly affect the system of internal control.

Control Activities

- 10 The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.
- 11 The organization selects and develops general control activities over technology to support the achievement of objectives.
- 12 The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.

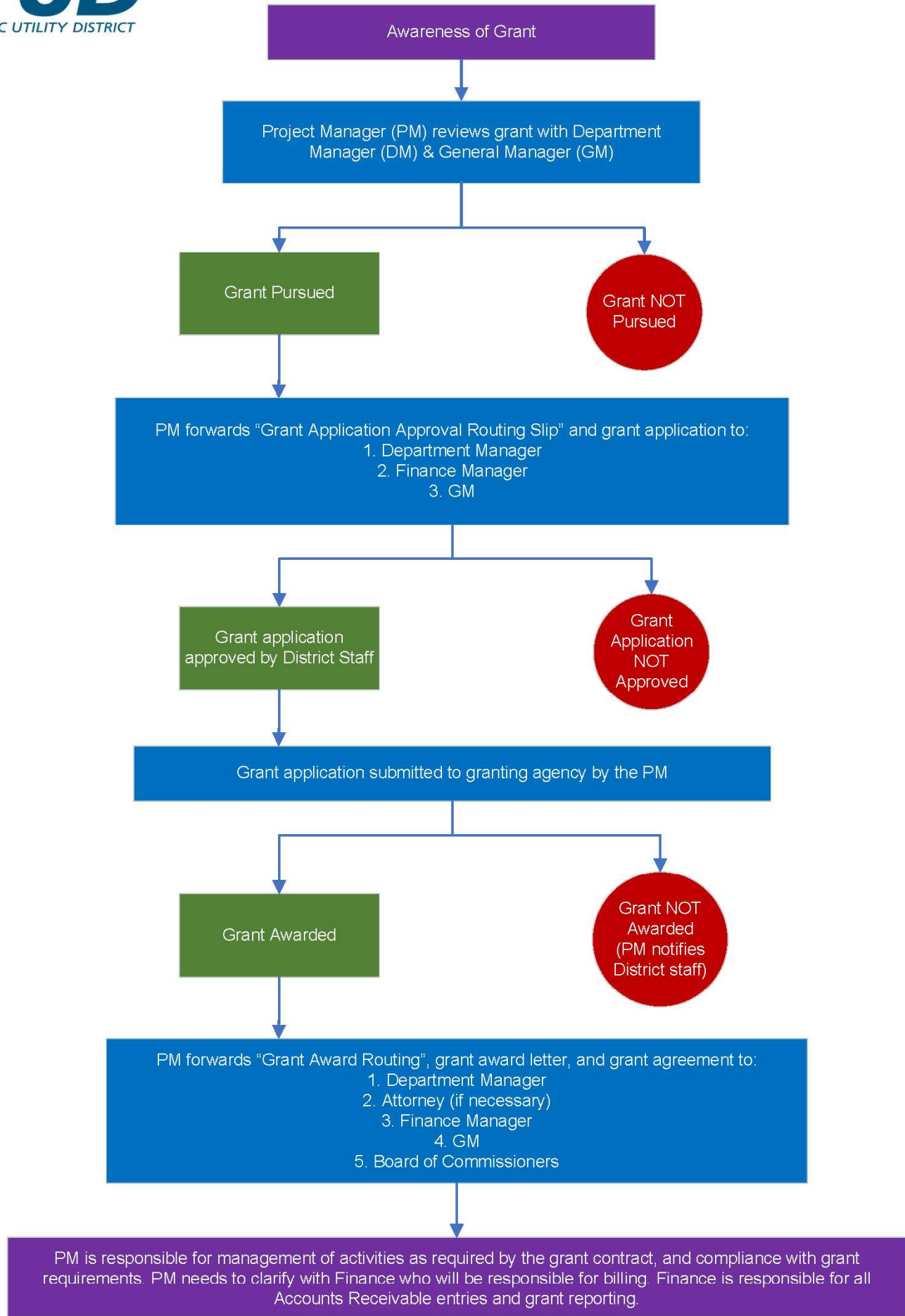
Information & Communication

- 13 The organization obtains or generates and uses relevant, quality information to support the functioning of internal control.
- 14 The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.
- 15 The organization communicates with external parties regarding matters affecting the functioning of internal control.

Monitoring Activities

- 16 The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.
- 17 The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate.

ATTACHMENT B
GRANT PROCESS



APPENDIX B

Mandatory Bidder Responsibility Checklist

The following checklist may be used by Owners in documenting that a Bidder meets the mandatory bidder responsibility criteria. It is suggested that Owners print a copy of documentation from the appropriate website to include with this checklist in the contract file.

General Information	
Project Name:	Project Number:
Bidder's Business Name:	Bid Submittal Deadline:
Contractor Registration – https://fortress.wa.gov/lni/bbip/	
License Number:	Status: Active: Yes <input type="checkbox"/> No <input type="checkbox"/>
Effective Date (must be effective on or before Bid Submittal Deadline):	Expiration Date:
Is Bidder on Infraction List?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Current UBI Number – http://dor.wa.gov/content/doingbusiness/registermybusiness/brd/	
UBI Number:	Account Closed: Open <input type="checkbox"/> Closed <input type="checkbox"/>
Industrial Insurance Coverage – https://fortress.wa.gov/lni/crpsi/MainMenu.aspx	
Account Number:	Account Current: Yes <input type="checkbox"/> No <input type="checkbox"/>
Employment Security Department Number –	
Employment Security Department Number:	
<ul style="list-style-type: none"> • Has Bidder provided account number on the Bid Form? Yes <input type="checkbox"/> No <input type="checkbox"/> • And/or have you asked the Bidder for documentation from Employment Security Department on account number? Yes <input type="checkbox"/> No <input type="checkbox"/> 	
State Excise Tax Registration Number – http://dor.wa.gov/content/doingbusiness/registermybusiness/brd/	
Tax Registration Number:	Account Closed: Open <input type="checkbox"/> Closed <input type="checkbox"/>
Not Disqualified from Bidding – http://www.lni.wa.gov/TradesLicensing/PrevWage/AwardingAgencies/DebarredContractors/default.asp	
Is the Bidder listed on the "Contractors Not Allowed to Bid" list of the Department of Labor and Industries?	
Yes <input type="checkbox"/> No <input type="checkbox"/>	
Checked by:	
Name of Employee:	Date:

APPENDIX C

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY

Sole Source Justification Form

Vendor Name: _____
Address: _____
City, State, Zip _____
Phone Number: _____
Contact Person: _____

1. Description of Item (be specific including part number, quantity, quality, type desired, proposed delivery date and any other significant terms of the purchase).

2. This vendor is a sole source because:

- sole provider of items that are compatible with existing equipment, inventory, systems, programs or services
- sole provider of goods and services for which the District has established a standard (i.e., brand or manufacturer)
- sole provider of factory-authorized warranty service
- sole provider of goods or service that will meet the specialized needs of the District or perform an intended function
- sole provider of a licensed or patented good or service
- other (provide explanation)

3. What necessary features does this vendor provide which are not available from other vendors? (be specific)

4. What steps were taken to verify that these features are not available elsewhere? (list names and phone numbers of other vendors and explain why they were not suitable)

Statement of Requestor

My department's recommendation for sole source is based upon an objective review of the goods/services being required and appears to be in the best interest of the District. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favor or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or firms been a deciding influence on my request to sole source this purchase when other suppliers are known to exist.

Signature of Requestor

Date

Finance Manager

Date

General Manager Approval

Approved

Denied

George Sidhu, P.E., General Manager

Date






AP&P 2049 Procurement of Goods and Services with Federal Awards rev 2025

Final Audit Report

2025-02-12

Created:	2025-02-12
By:	Shannon Patiño (patino@skagitpod.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA3gL_hovjIVFsRoes-WjAla7PB65cYpPp

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