



Policies and Procedures
Policy 0011

PURCHASING AND CONTRACTING POLICY

Table with 2 columns: Date of Origin, Approved By, Date(s) of Revision, Date(s) of Review.

RELATED POLICIES: Credit Card Use Policy; Gift Policy,

STATUTORY REFERENCE: RCW 39.04.270, RCW 42.24.225, R.C.W. Chapter 39.80

PURPOSE: The purpose of this procedure is to promote economy, prevent fraud, favoritism, extravagance, collusion, and the suggestion of collusion. It also provides equal opportunity among those seeking to do business with the Stevens County Rural Library District.

I. SCOPE

This policy governs the purchase of all supplies, materials and equipment, nonprofessional and professional services, and public works contracts.

II. POLICY STATEMENT

- A. The District desires a fair and open process for procurement of goods and services that is free from the potential for bias and conflict of interest.
B. The Library Director is charged with developing administrative procedures to implement this policy.
C. The District has contracted with MRSC to adopt for District use those state wide electronic databases for small public works roster and consulting services developed and maintained by MRSC.
D. Lease of equipment or other personal property shall be subject to the policies for purchase of goods, with the aggregate of lease payments used in lieu of purchase price.

III. GENERAL PROVISIONS

- A. Federal or State Funds. When procurement involves the expenditure of state or federal funds or grants, purchasing shall be conducted in accordance with any applicable federal or state laws or regulations.
B. Breaking Down or Splitting Purchases. The breaking down, or splitting, of any purchase or contracts into units or phases for the purpose of avoiding the maximum dollar amount is prohibited.

- C. **Emergency Procurements.** Notwithstanding any other provisions of this chapter, the Director or designated agent may make or authorize others to make emergency procurements of materials, supplies, equipment, or services without complying with the requirements of this section when there exists a threat to public health, welfare, or safety or threat to proper performance of essential functions; provided, that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. As soon as practicable, a record of each emergency procurement shall be made and shall set forth the contractor's name, the amount and type of the contract, and listing of the item(s) procured under the contract, which shall be reported to the District Board at the next subsequent meeting.
- D. **Amendments and Change Orders.**
  - a. Amendments or change orders to contracts, including interlocal agreements, which result in the final contract amount in excess of purchase limits identified in this chapter may be administratively approved if the changes are:
    - i. Within the scope and budget of the project or purchase;
    - ii. Executed in writing;
    - iii. The amount in excess of the Director's purchase limits will not exceed the Director's authority for non-budgeted capital or operating expenditures as defined in the Commitment Authority adopted by District Board or the approved project budget, whichever is greater.
  - b. Contract amendments that are strictly a change in contract expiration date may be administratively approved.
  - c. The value of all change orders will be aggregated, and when any single amendment or combination of change orders on the same project or purchase exceeds the limit under subsection (D)(a)(i) of this section the change must be approved by the Board of Trustees, except:
    - i. For service contracts to accomplish an ongoing District program rather than a discrete project, the aggregation of administrative change orders shall be recalculated after each contract year; and
    - ii. Where the size of the contract makes it probable that administrative change order authority will be quickly exhausted, the Board of Trustees may, upon recommendation of the Director, extend the aggregate limits of subsection (D)(a)(i) of this section upon award of the particular contract.
- E. **Signature Authority.** The Director may delegate the signature authority provided in this chapter to other District employees as deemed appropriate.

#### IV. PURCHASE OF MATERIALS, SUPPLIES, OR MATERIALS

Purchase limitations apply to the cost of individual items or the sum of the same items purchased at the same time to fulfill a specific business need, which are not part of a public works project as defined by RCW 39.04.010 and this policy. Cost is inclusive of sales tax, delivery charges and any related miscellaneous charges. Limits shown and processes identified in the Commitment Authority (Exhibit A) shall be followed when authorizing the acquisition of materials, supplies or equipment.

- A. **Purchases Less Than \$5,000 – No Competitive Quotation Or Bidding.** Purchases of materials, supplies, or equipment, where the cost is under \$5,000, do not require formal competitive quotes or purchase orders.
- B. **Purchases From \$5,000 To Less Than \$25,000 - Informal Competitive Quotation.**
  - a. An authorized District representative shall make an effort to contact at least three vendors. The number of vendors contacted may be reduced if the item being sought is only available from a smaller number of vendors. When fewer than three quotes are requested or if there are fewer than three replies, an explanation shall be placed in the procurement file.
  - b. Whenever possible, quotes will be solicited on a lump sum or fixed unit price basis.
  - c. At the time quotes are solicited, the District representative shall not inform a vendor of any other vendor's quote.

- d. A written record shall be made by the District representative of each vendor's quote on the materials, supplies, or equipment, and of any conditions imposed on the quote by such vendor.
  - e. All of the quotes shall be collected and presented at the same time to the appropriate designee as appropriate for consideration, determination of the lowest responsible vendor and award of purchase.
  - f. Whenever there is a reason to believe that the lowest acceptable quote is not the best price obtainable, all quotes may be rejected and the District may obtain new quotes or enter into direct negotiations to achieve the best possible price. In this case, the department shall document, in writing, the basis upon which the determination was made for the award.
- C. Purchases Greater Than \$25,000 - Formal Competitive Bidding.**
- a. *General.* Unless otherwise specifically approved by the Board of Trustees, all contracts relating to the purchase of materials, equipment, or supplies shall be in accordance with the Commitment Authority.
  - b. *Invitation for Bids.* An invitation for bids shall be issued which shall include the specifications and the contractual terms and conditions applicable to the procurement.
  - c. *Public Notice.* Public notice of the invitation for bids shall be published at least once in a newspaper of general circulation within the District, not less than 13 calendar days prior to the date set forth therein for the opening of bids, unless for good cause shown, the District Board authorizes a different period of time. The public notice shall state the date and time of bid opening. Bids not received by the date and time stated for bid opening will not be accepted or considered.
  - d. *Bid Opening.* Bids shall be opened publicly and recorded at the time and place designated in the invitation for bids.
  - e. *Withdrawal of Bids. Cancellation of Awards.* Bids may be modified or the bid may be withdrawn by written or telegraphic notice received in the office designated in the invitation for bids prior to the time set for opening. After bid opening, withdrawal of bids shall be permitted only to the extent that the bidder can show by clear and convincing evidence presented in a sworn affidavit or declaration submitted no later than 5:00 p.m. on the first business day after bid opening, that a clerical mistake was made and not a mistake in judgment, and the bid price actually intended. All decisions to permit the withdrawal of bids after bid opening, or to cancel awards or contracts based on bid mistakes, shall be made by the Director.
  - f. *Award.* The Board of Trustees shall award purchases for amounts greater than or equal to the limits as identified in the Commitment Authority. The award of bid shall be made to the lowest responsible bidder whose bid meets the specifications and evaluation criteria set forth in the invitation for bids. The District may reject all bids at its discretion.
- D. Lowest Responsible Vendor.** The following factors, in addition to price, may be taken into account by the District in determining the lowest responsible vendor; these criteria shall also apply in selecting products or services either offered with, or associated indirectly with, District programs or facilities:
- a. Any preferences provided by law to local products and vendors;
  - b. The ability, capacity, and skill of the vendor to perform the contract;
  - c. The character, integrity, reputation, judgment, experience, and efficiency of the vendor;
  - d. Whether the vendor can perform the contract within the time specified;
  - e. The quality of performance of previous contracts or services;
  - f. The previous and existing compliance by the vendor with laws relating to the contract;
  - g. Such other information as may be secured having a bearing on the decision to award the contract.
- E. Life Cycle Costing.** In considering the purchase of materials, equipment, supplies, whenever there is a reason to believe that applying the "life cycle costing" method of quote evaluation would result in the lowest total cost to the District, first consideration shall be given to purchases with the lowest life cycle cost which complies with the specifications.
- F. Exceptions to Purchasing Limitations.** The Director is authorized to allow open market purchases without obtaining the regularly required competitive quotes or bids under the following conditions:

- a. *Surplus or Distress Sale.* When it is possible to procure obvious bargains through the procurement of surplus or distress material, supplies or equipment.
  - b. *Auctions.* RCW 39.30.045 authorizes the District to acquire supplies, materials, and equipment through an auction conducted by the United States or any agency thereof, an agency of the state of Washington, a municipality or other government agency, or any private party, without quotations or bids, if the items to be purchased can be obtained at a competitive price.
  - c. *Emergency Purchases.* When the obtaining of competitive bids or quotations will cause delay resulting in an appreciable loss to the District.
  - d. *Interlocal Joint Purchasing Agreements.* Materials, equipment, supplies and services may be purchased under RCW 39.34.080 using joint purchasing agreements with a District, county, state or other public agency where bid requirements of this chapter have been followed by the cooperating agency in obtaining bids (i.e. the State of Washington Dept. of General Administration – Office of State Procurement, King County Distributing Association (KCDA), and Western States Contracting Alliance). Such joint purchasing agreements shall be approved by the Board of Trustees prior to solicitation of vendors.
  - e. *Sole Source Procurement.* A contract for the purchase of materials, supplies, or equipment may be awarded without complying with the bidding requirements of this chapter when the Library Manager determines in writing, subject to the approval of the Director, after conducting a good faith review of available resources, that there is only one source of the required materials, supplies, or equipment. The Library Manager or his/her designee shall conduct negotiations, as appropriate, as to price, terms, and delivery time. A record of sole source procurement shall be maintained that lists each contractor's name, the amount and type of each contract, and a listing of the item(s) procured under each contract.
  - f. *No Bids or Quotations Received.* When no bids or quotations are received in response to an invitation to bid or request for quotations, the Library Manager or his/her designee is authorized to procure the required item through direct negotiations with a vendor or to rebid as the Director or designee deems appropriate.
  - g. *Library Materials Purchases.* When materials, including but not limited to books, periodicals, pamphlets, compact discs, DVDs, microforms, databases, and binding are purchased for inclusion in the District's collection to be made available to the public.
  - h. *Insurance and Bond Purchases.*
  - i. *Purchases from Government Agencies.* When purchasing materials, equipment or supplies directly from other government agencies if the items to be purchased can be obtained at a competitive price.
- G. **Credit and Purchasing Cards.** Some suppliers accommodate the District by accepting purchasing cards or providing the use of a supplier-specific credit card. All such cards are held by the Business Manager. All employees must comply with the District's Credit Card Use policy.

## V. PUBLIC WORKS PROJECTS

- A. **Purchasing Procedures.** Cost for a public works project includes all amounts paid for materials, supplies, equipment, and labor on the construction of that project which is inclusive of sales tax, unless exempted by law.
- B. **Purchasing Limitations.** The Director may authorize the purchase and execution of public works projects equal to or less than the dollar threshold for small works projects as provided under RCW 39.04.155 as amended.
- C. **Competitive Bids.** "Craft" or "trade" means a recognized construction trade or occupation for which minimum wage categories are established by the Department of Labor and Industries of the State of Washington in the locality of the District's projects or purchases.
  - a. Projects for single craft or multiple crafts with a reasonably anticipated price equal to or less than the dollar thresholds as provided under RCW 35.23.352, as amended, do not require the use of competitive quotes or bids. All purchases require an executed contract.
  - b. Projects for single craft or multiple crafts with a reasonably anticipated price higher than the dollar thresholds as provided under RCW 35.23.352, as amended, up to the limits set forth by RCW 39.04.155 as

amended shall either use the small works roster or a formal competitive bid procurement process. All purchases require an executed contract.

- c. Projects with a cost in excess of the maximum dollar threshold as provided in RCW 35.23.352, as amended, require a formal competitive bid process. The District Board shall authorize these purchases and provide authority for the Director to execute the related contract. All purchases require an executed contract.
- D. **Small Works Roster.** There is established for the District a small works roster contract award process for accomplishment of public works projects with an estimated value threshold as provided under RCW 39.04.155, as amended. The District may create a single small works roster, or may create small works rosters for different categories of anticipated work.
  - a. *Roster List.* The departments shall establish the small works roster or rosters which 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 the state of Washington.
  - b. *Publication.* At least once a year, the District shall publish in a newspaper of general circulation within the District the notice of the existence of the roster or rosters and solicit the names of contractors for such roster or rosters. Responsible contractors shall be added to an appropriate roster or rosters at any time that they submit a written request and necessary records. The District may require master contracts to be signed that become effective when a specific award is made using a small works roster. An interlocal contract or agreement between the District and other local governments establishing a small works roster or rosters 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.
  - c. *Prequalification and Appeal.* Any contractor whose request to be on the list has been denied may appeal, within 10 days after the denial by the buying department to the Director, and the Director will make a decision within 30 days of the notice of appeal. Any contractor whose appeal to be on the list has been denied by the Director may appeal, within 10 days after the denial by the Director, to the District Board, and the District Board shall hold a hearing on the issue and make a decision within 45 days of the notice of appeal. A denial that is not appealed, or that is appealed and results in a final decision against the contractor, prevents the contractor from applying to be on the list for a period of one year from the initial application.
  - d. *Process.* Whenever work that has received District Board approval in the current budget, or otherwise been approved by the District Board, is sought to be accomplished using a small works roster, a District representative shall obtain telephone, written or electronic quotations from contractors on the appropriate small works roster to assure that a competitive price is established and to award contracts to the lowest responsible bidder as follows:
    - i. Whenever possible, invite at least one proposal (small works roster) from a minority or woman-owned contractor who shall otherwise qualify (Resolution 85-23).
    - ii. A contract awarded from a small works roster need not be advertised. 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. However, detailed plans and specifications need not be included in the invitation. This paragraph does not eliminate other requirements for architectural or engineering approvals as to quality and compliance with building codes.
    - iii. Quotations may be invited from all appropriate contractors on the appropriate small works roster. As an alternative, quotations may be invited from at least five contractors on the appropriate small works roster who have indicated the capability of performing the kind of work being contracted, in a manner that will equitably distribute the opportunity among the contractors on the appropriate roster. If the estimated cost of the work is \$150,000 or more but less than or equal to the dollar threshold for small works projects as provided under RCW 39.04.155, as amended, the District may choose to solicit bids from less than all the appropriate contractors on the appropriate small works roster but must also notify

the remaining contractors on the appropriate small works roster that quotations on the work are being sought. The District has the sole option of determining whether this notice to the remaining contractors is made by:

1. Publishing notice in a legal newspaper in general circulation in the area where the work is to be done;
  2. Mailing a notice to these contractors; or
  3. Sending a notice to these contractors by facsimile or other electronic means.
- iv. For purposes of this policy, "equitably distribute" means that the District may not favor certain contractors on the appropriate small works roster over other contractors on the appropriate small works roster who perform similar services. At the time bids are solicited, the District representative shall not inform a contractor of the terms or amount of any other contractor's bid for the same project.
  - v. A written record shall be made by the District representative of each contractor's bid on the project and of any conditions imposed on the bid. Immediately after an award is made, the bid quotations obtained shall be recorded, open to public inspection, and available by telephone inquiry.
  - vi. At least once every year a list of the contracts awarded under this process are to be furnished to the District Board and made available to the general public. The list shall contain the name of the contractor or vendor awarded the contract, the amount of the contract, a brief description of the type of work performed or items purchased under the contract, and the date it was awarded. The list shall also state the location where the bid quotations for these contracts are available for public inspection.
- e. *Determining Lowest Responsible Bidder.* Where bidders have not been prequalified, the District shall award the contract for the public works project to the lowest responsible bidder; provided that, when there is reason to believe that the lowest acceptable bid is not the best price obtainable, all bids may be rejected and the District may call for new bids. A responsible bidder shall be a registered and/or licensed contractor who meets the mandatory bidder responsibility criteria established by Chapter 133, Laws of 2007 (SHB 2010) and who meets any supplementary bidder responsibility criteria established by the District.
  - f. *Cancellation of Invitations for Quotations.* An invitation for quotations may be canceled at the discretion of the Library Director. The reasons shall be made part of the contract file. Each invitation for quotations issued by the District shall state that the invitation may be canceled. Notice of cancellation shall be sent to all parties that have been provided with a copy of the invitation. The notice shall identify the invitation for quotations and state briefly the reasons for cancellation.
- E. **Award.** The Director or his/her designee shall present all telephone quotations/bids and recommendation for award of the contract to the lowest responsible bidder to the Board of Trustees. However, for public works projects under \$35,000, the Director shall have the authority to award public works contracts to the lowest responsible bidder without Board of Trustees approval, provided that the Board of Trustees has previously authorized the project through the approval of the District's budget, and provided that the Board of Trustees shall ratify the Director's approval at the next scheduled Board of Trustees meeting. For public works projects over \$35,000, the Board of Trustees shall award all public works contracts.
  - F. **Limited Public Works Process.** The District may use the limited public works process to award public works projects as provided under RCW 39.04.155, as amended.
  - G. **Formal Competitive Bid.** For public works not using a small works roster, the formal competitive bid process shall be used.
  - H. **Bid Deposit, Performance Bond and Noncollusion Affidavit for Public Works Improvement Projects.** Whenever competitive quotes or bids are required, a bidder shall make a deposit in the form of a certified check or bid bond in an amount equal to not less than five percent of the total bid, which percentage shall be specified in the call for bids. As part of any bid submitted, the bidder shall be required to warrant that the bid is a genuine bid, and that he/she has not entered into collusion with any other bidder or any other person. All public works

contractors shall furnish a performance or bond in an amount equal to the total amount of the contract and an executed and notarized noncollusion affidavit on a form approved by the District attorney.

## VI. CONTRACTS AND AGREEMENTS FOR SERVICES

- A. **Purchasing Limitations.** Purchase limitations apply to the cost related to the acquisition of services to fill a specific business need. Cost is inclusive of any required sales tax and related expenses.
  - a. All initial agreements with governmental agencies require Board approval; annual renewal or extension of existing contracts and agreements require the Director's approval.
  - b. Contracts and Agreements under \$3,000 can be executed by Library Manager; and contracts/agreements between \$3,000 and \$25,000 can be executed by the Director or designee; and contracts/agreements over \$25,000 require Board approval.
- B. **On-Call Service Contracts.** On-call service contracts will be procured with the processes identified in subsection D of this section. Individual task orders of on call service contracts shall not exceed \$50,000.
- C. **Process.**
  - a. *Architectural, Landscape Architectural, and Engineering Services Contracts.* Requirements set forth in Chapter 39.80 RCW shall be followed for contracts for architectural and engineering services, as defined in RCW 39.80.020.
    - i. *Roster.* Annually, on behalf of the District, MRSC will publish in advance the anticipated District's requirements for architectural, landscape architectural, and engineering services and its acceptance of statements of qualifications for contractors interested in providing these services.
    - ii. *Contracts Less Than \$100,000.* Contracts that have an estimated cost of less than \$100,000 can be procured using an informal request for qualification process. This process requires the District representative to develop a written scope of the project and any criteria used to select the service provider and then select a qualified contractor from the District's architectural, landscape architectural, and engineering service roster. If the District representative does not choose to use the appropriate roster, then a formal request for qualification process must be followed.
    - iii. *Contracts Greater Than \$100,000.* Contracts that have an estimated cost in excess of \$100,000 must use a formal request for qualification (RFQ) process. The development of an RFQ along with the proper public notification shall be made in accordance with procedures adopted by the finance department in the best interest of the District; provided, however, that the Director may in the following circumstances waive the RFQ process for contracts greater than \$100,000, and allow the acquisition of services from the District's architectural, landscape architectural and engineering services roster:
      - 1. It is deemed in the best interest of the District to expedite the acquisition of services; or
      - 2. It can be demonstrated that there are sufficient consultants on the roster that possess the required qualifications to perform the scope of work; or
      - 3. A consultant on the District's roster has previously provided satisfactory service to the District, has previously provided services related to the specific project, and has the qualifications to perform the scope of work.
    - iv. *Contract Required.* A contract is required to purchase architectural, landscape architectural, and engineering services.
  - b. *Professional and Nonprofessional Services (Non-architectural, Landscape Architectural, and Engineering Services).*
    - i. *Contracts Less Than \$100,000.* Contracts that have an estimated cost of less than \$100,000 can be procured using an informal request for proposal process. This process requires the District representative develop a written scope of the project and any criteria used to select the service provider. The District representative will use this information when selecting the contractor to provide

the services. Multiple proposals are optional and at the discretion of the Library Manager. If multiple proposals are used to make a selection, a standard process must be used for obtaining all proposals.

- ii. *Contracts in Excess of \$100,000.* Contracts that have an estimated cost in excess of \$100,000 shall be procured using a formal request for proposal (RFP) process. The development of an RFP along with the proper public notification shall be made in accordance with procedures adopted by the District.
- iii. *Contract Required.* A contract is required to purchase professional and nonprofessional services.

## VII. INTERLOCAL JOINT PURCHASING AGREEMENTS

- A. **Cooperative Purchasing.** The District may enter into interlocal governmental cooperative purchasing arrangements with other public agencies similarly authorized under RCW 39.34.030 when the best interests of the District would be served thereby. Any cooperative purchasing agreement shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties and shall be governed by the requirements of state law in regard to competitive bidding, when applicable. The competitive bid process of the original jurisdiction shall substitute for the District's. All interlocal joint purchasing agreements shall be presented to the District Board for prior approval.

## VIII. REAL PROPERTY ACQUISITION

- A. **Real Property.** All real property acquisitions on behalf of the District shall be submitted to the Board of Trustees for approval.
- B. **Real Property.** All leases of real property on behalf of the District shall be submitted to the Board of Trustees for approval.

### COMMITMENT AUTHORITY (Exhibit A)

#### Operating Expenditures (1)

- (1) Expenditures directly related to the primary service activities of the department, excluding Capital Expenditures.
- (2) Telephone or written quotations required for purchases of \$1,000 or greater.
- (3) Sealed bids/formal bid process required for materials/equipment for greater than or equal to \$25,000; and for public works projects over the limits for single craft or multiple crafts as set forth in RCW 35.23.352, unless Small Works Roster is used for contracts up to the limits set forth in RCW 39.04.155. Only Director's approval required for any public works project over the limits set forth in RCW 35.23.352 for single craft and up to the limits for use of the Small Works Roster as set forth in RCW 39.04.155. Federally funded projects must follow Federal guidelines.
- (4) "Non-Budgeted Items" includes overage of budgeted line items.  
Board of Trustees authorization is required on any non-budgeted expenditure that would cause the overall Fund expenditures to exceed the total Fund appropriation amount.

#### Capital Expenditures (5)

- (5) Cost greater than \$5,000 and useful life expectancy greater than one year.
- (6) Commitment of contingencies within an approved project budget are at the discretion of the Library Manager up to 10% of the contingency or \$5,000 (whichever is greater) for a single commitment.

#### Contracts And Agreements

- (7) Initial contracts and agreements require Trustee approval;

- (8) Commitment Authority is driven by the dollar amount, not by the original signature on the contract.
- (9) Negotiated contracts for architectural and engineering services required (RCW 39.80).
- (10) Approval required at time of application for grant.