

PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
BOARD OF COMMISSIONERS

AGENDA
JULY 9, 2024
4:30 PM

The public is invited to attend in person or via Zoom.

Join the meeting via Zoom: <https://skagitpud.zoom.us/j/82082590753?pwd=ZkUrVGE4T2xXK3NUV1ZRK2pxUDlxdz09>

Meeting ID: 820 8259 0753

Passcode: 009457

Or dial: 1-253-215-8782

Please turn your audio and video off during the meeting. Use the "Raise Hand" feature if you would like to speak during Audience Comments.

If you have a question or comment for the Board, please submit it by 5 p.m. the Monday prior to the meeting by calling (360) 848-4460 or send an email to pud@skagitpud.org

PLEDGE OF ALLEGIANCE

CONSENT AGENDA

1. Approval of Agenda 7/9/24
2. Approval of Minutes 6/25/24 Regular Meeting
3. Ratification of Vouchers 6/25/24 and 7/2/24
4. Voucher Approval 7/9/24

AUDIENCE COMMENTS

OLD BUSINESS

5. General Manager's Report
6. Community Relations Department Update

NEW BUSINESS

7. [Revisions to Small Works Roster procurement policies and procedures - Action](#)
8. [Recommendation for Removal of Capital Assets from Capital Asset Ledger Surplus - Action](#)

INFORMATION

9. Monthly Budget Status - May 2024
10. Judy Reservoir Data Report

COMMISSIONER COMMENTS

ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF THE COMMISSION
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON

June 25, 2024

The regular meeting of the Commission of Public Utility District No. 1 was held in the Aqua Room of the utility located at 1415 Freeway Drive, Mount Vernon, Washington.

The meeting was called to order at 4:30 p.m. Commissioners Joe Lindquist, president; Andrew Miller, vice president; and Corrin Hamburg, secretary, were in attendance.

In attendance were Kevin Tate, Shannon Patiño, Nick Semrau, Ryan Anderson, Kathy White, Krista Lewis, Pete Gilbert, Brian Henshaw, Kevin Tate, Alistair Boudreaux, Mark Handzlik, Mark Semrau, Wendy LaRocque, and Bill Trueman

Participating remotely:

Commissioner Lindquist led the Pledge of Allegiance.

CONSENT AGENDA

Commissioner Miller moved to approve the Consent Agenda for June 25, 2024, as presented.

1. Approval of Agenda 6/25/24
2. Approval of Minutes 5/28/24 Regular Meeting
3. Ratification of Voucher 5/28/2024 No. 3136 (\$2,493,107.66)
Accounts Payable Voucher No. 29204-29294 (\$857,153.85)
Electronic Funds Transfer (\$1,403,957.07)
Payroll Electronic Funds Transfers No. 044085-044169 (\$231,996.76)
Ratification of Voucher 6/4/2024 No. 3137 (\$1,542,829.71)
Accounts Payable Voucher No. 29295-29338 (\$1,198,508.76)
Electronic Funds Transfer (\$104,032.46)
Payroll Electronic Funds Transfers No. 044170-044253 (\$240,288.58)
Ratification of Voucher 6/11/2024 No. 3138 (\$1,997,938.96)
Accounts Payable Voucher No. 29339-29396 (\$832,613.28)
Electronic Funds Transfer (\$1,165,325.68)
Ratification of Voucher 6/18/2024 No. 3139 (\$1,530,818.17)
Accounts Payable Voucher No. 29397-29453 (\$968,075.96)
Electronic Funds Transfer (\$321,200.00)
Payroll Electronic Funds Transfer No. 044393-044477 (\$241,542.21)
4. 2 Lot Short Plat Line Extension Project Acceptance
5. Offsite Waterline Replacement Project Acceptance
6. Little Mountain Sky Ridge Road Pipeline Project Acceptance

The motion passed unanimously.

2024 WATER USE EFFICIENCY PUBLIC FORUM

7. Mark Semrau presented the PUD's current six-year Water Use Efficiency program that reviewed drivers impacting water consumption and how water use efficiency goals are being established. The presentation covered strategies and measures, including public outreach, water-saving tools and tips, customer leak detection, customer consumption history, PUD water use efficiency measures, external drivers, recommendations, historical and projected water use efficiency trends, and the review process.

A discussion ensued.

No public comment was provided.

Commissioner Hamburg moved to accept the goals proposed for the Water Use Efficiency program.

The motion passed unanimously.

AUDIENCE COMMENTS

None.

OLD BUSINESS

8. Manager's Report: Acting General Manager Tate provided an update on the following:
 - A progress update on the PUD Campus Replacement project.
 - The AWWA Pacific Northwest Subsection Young Professionals group will be touring the Water Treatment Plant on June 28.
 - On June 27, the new Mount Vernon School District superintendent and board president will tour the current PUD campus building.
 - Customer Service will launch online forms for the water service application, automatic withdrawal authorization, and automatic withdrawal termination authorization on June 28 and will roll out additional forms in the coming months.
 - The Port of Skagit Commissioners would like to have a joint meeting with the PUD Commissioners to discuss the SkagitNet backbone IRU. A special meeting on August 13, 2024, at 2:30 p.m., prior to the regular meeting, was proposed.
9. Human Resources (HR) Department Update: Human Resources Manager White gave a department update on staffing changes, hiring, employee training, union bargaining, management and leadership planning efforts, dental plan change, upcoming meetings, evaluations, and preparations for the move into the new building.
10. Excessive Use Hardship Grant
Finance Manager Henshaw wanted to give another opportunity to discuss the addition of an excessive water use hardship grant.

Some of the topics discussed included obtaining outside funding and grants to fund the excessive use hardship grant, working with Community Action of Skagit County to run the program, determining what cases would be eligible for the grant, setting limitations, and establishing a framework that the commission can use to base their decision when an individual appeals to the board.

NEW BUSINESS

11. Letter of Understanding (LOU) between Skagit PUD and Swinomish Tribe for 2024 Seasonal Water Rights Transfers: Acting General Manager Tate explained that the LOU outlines the operating conditions at the Skagit River Diversion (SRD) for 2024 to facilitate the lifting of pumping restrictions due to tidal conditions.

Commissioner Hamburg moved to authorize the general manager to sign the letter of understanding between Skagit PUD and the Swinomish Tribe for the 2024 Seasonal Water Rights Transfer to local irrigators.

The motion passed unanimously.

12. Permanent Yard Maintenance Technician: Human Resources Manager White explained that every summer the PUD previously hired a temporary part-time yard maintenance tech, which involved the need to train a new person each time and some challenges with scheduling, so the position was created into a temporary full-time position in 2022. The PUD has found the position valuable for the Operations Department and would like to make the position a permanent full-time position.

Commissioner Hamburg moved to create a permanent position for a yard maintenance technician in the Operations Department.

INFORMATION

13. Judy Reservoir Data Report
14. Recent News Article

COMMISSIONER COMMENTS

None.

EXECUTIVE SESSION

At 5:42 p.m., Commissioner Lindquist recessed the regular meeting to discuss potential litigation pursuant to RCW 42.30.110(1)(i)(ii) for a duration of approximately 15 minutes, reconvening at 5:57 p.m.

The executive session ended at 5:53 p.m., and the regular meeting was reconvened.

ADJOURNMENT

Having no further business to come before the board, Commissioner Lindquist moved for adjournment. The motion passed, and the June 25, 2024, meeting adjourned at 5:53 p.m.

ATTEST

Joe Lindquist, President

Corrin Hamburg, Secretary

Andrew Miller, Vice President

We, the undersigned Board of Commissioners of Public Utility District No. 1 of Skagit County, Washington, do hereby certify that the merchandise and /or services hereinafter specified have been received and are hereby approved for payment in the amount of \$308,854.40 this 25th day of June, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 29454 through 29485 in the amount of \$308,854.40, Electronic Funds Transfer in the amount of \$0.00. Payroll Electronic Funds Transfers and checks No. through in the amount of \$0.00.

Attest:

Kevin Tate

 Manager


 Auditor

 President

 Vice - President

 Secretary

Date: 06/25/2024

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Voucher	Claimant	Amount
29454	ALL BATTERY SALES AND SERVICE	286.88
29455	AQUATIC INFORMATICS INC	310.00
29456	BADGER METER INC	199,865.60
29457	BUILDERS EXCHANGE OF	150.00
29458	CDW GOVERNMENT INC	4,700.61
29459	CHRISTINA SIDZYIK	1,136.18
29460	CORE & MAIN LP	17,195.62
29461	CRYSTAL SPRINGS	140.83
29462	EUROFINS EATON ANALYTICAL LLC	21.00
29463	EXPRESS EMPLOYMNT PROFESSIONALS	1,422.80
29464	FRONTLINE CLEANING SERVICES	2,945.00
29465	HOME DEPOT	767.01
29466	ICONIX WATERWORKS (US) INC	460.77
29467	JOSHUA RAMOS	131.88
29468	ANYTIME LABOR SEATTLE LLC	869.19
29469	LEONARD KARAGACIN	6,752.42
29470	MCMASTER-CARR SUPPLY CO	950.34
29471	MICHAEL P AIKEN	3,500.00
29472	N C MACHINERY CO	161.67
29473	ORKIN LLC	315.11
29474	PLATT ELECTRIC SUPPLY	50.24
29475	PUGET SOUND ENERGY	3,788.86
29476	RH2 ENGINEERING INC	418.97
29477	SECURITY SOLUTIONS NORTHWEST	58,752.00
29478	SKAGIT FARMERS SUPPLY	1,197.79
29479	SKAGIT VALLEY PUBLISHING	80.70

Voucher	Claimant	Amount
29480	Safety-Kleen Systems Inc	1,758.60
29481	TACOMA SCREW PRODUCTS INC	27.77
29482	UNITED PARCEL SERVICE	25.51
29483	USABUEBOOK	153.37
29484	ASTOUND BUSINESS SOLUTIONS LLC	370.35
29485	WOODS ACQUISITION CORP DBA	147.33
		308,854.40

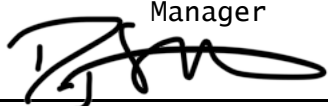
We, the undersigned Board of Commissioners of Public Utility District No. 1 of Skagit County, Washington, do hereby certify that the merchandise and /or services hereinafter specified have been received and are hereby approved for payment in the amount of \$2,407,072.30 this 2nd day of July, 2024.

The total is comprised of the following:

Accounts Payable voucher No. from 29486 through 29542 in the amount of \$599,794.72, Electronic Funds Transfer in the amount of \$1,536,705.88. Payroll Electronic Funds Transfers and checks No. 044562 through 044645 in the amount of \$270,571.70.

Attest:

Kevin Tate

 Manager


 Auditor

 President

 Vice - President

 Secretary

Date: 06/28/2024

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Voucher	Claimant	Amount
29486 - EDI	AFLAC	975.56
29487	ALEJANDRO SANCHEZ	123.01
29488	ALL PHASE ELECTRIC SUPPLY	6,739.07
29489	ALTUS TRAFFIC MANAGEMENT LLC	1,200.01
29490	BADGER METER INC	5,372.38
29491 - EDI	BANNER BANK	1,407,592.47
29492	CINTAS	45.00
29493	COMMUNITY ACTION OF SKAGIT CTY	12.61
29494	WA ST DEPT OF TRANSPORTATION	294.92
29495	DOUGLAS A STREETER	3,500.00
29496	DWAYNE LANE'S SKAGIT INC	242.67
29497	EARTHWORK SOLUTIONS LLC	231,086.77
29498 - EDI	ELECTRONIC FEDERAL TAX PAYMENT	96,881.52
29499 - EDI	EMPLOYEES WELFARE & RECREATION	306.00
29500 - EDI	EMPOWER RETIREMENT	815.00
29501	EUROFINS EATON ANALYTICAL LLC	495.00
29502	EXPRESS EMPLOYMNT PROFESSIONALS	1,147.13
29503	FERGUSON ENTERPRISES LLC #3326	644.04
29504	FLATSTICK PUB	192.20
29505	GEOSYNTEC CONSULTANTS INC	44,272.52
29506	GOVERNMENT FINANCE OFFICERS	160.00
29507	GUARDIAN SECURITY SYSTEMS INC	1,787.58
29508	HD FOWLER COMPANY INC	14,738.98
29509	HONEY BUCKET	80.00
29510	IDEAL RENT-ALL	146.88
29511	JIM GIBBONS	194.98

Voucher	Claimant	Amount
29512	KAPTEIN'S ACE HARDWARE	46.76
29513	KIRSTEN MARIN	114.36
29514	LAUREN TATMAN	206.74
29515	LINDE GAS & EQUIPMENT INC	61.21
29516	MARTIN MARIETTA MATERIALS	823.83
29517	MOUNT VERNON BUILDING CENTER	408.00
29518 - EDI	Mutual of Omaha	3,487.83
29519	NELSON-REISNER	614.88
29520	NORTHSTAR CHEMICAL INC	15,265.76
29521	ODP BUSINESS SOLUTIONS, LLC	250.29
29522	ORKIN LLC	73.84
29523 - EDI	PAYMENTUS CORPORATION	14,190.99
29524	PUMPTECH LLC	3,971.20
29525	RH2 ENGINEERING INC	603.72
29526	RWC GROUP	470.31
29527	SANTANA TRUCKING & EXCAVATING	252,650.07
29528	SECURITAS TECHNOLOGY CORP	120.87
29529	SKAGIT FARMERS SUPPLY	936.63
29530	SUPERHAWK TRUCK ACCS INC	4,071.41
29531	SUSAN MCKIBBEN	94.53
29532	T-MOBILE	265.20
29533	TEAMSTER UNION LOCAL 231	4,014.42
29534	UNITED WAY OF SKAGIT COUNTY	100.00
29535	VERIZON WIRELESS	160.04
29536 - EDI	WA STATE SUPPORT REGISTRY	844.89
29537 - EDI	WA STATE TREASURER	5,973.13
29538	ASTOUND BUSINESS SOLUTIONS LLC	145.42
29539	WASTE MANAGEMENT OF SKAGIT	1,832.13
29540	WOODS ACQUISITION CORP DBA	11.93
29541 - EDI	ZIPLY FIBER	5,638.49
29542	ZOOM VIDEO COMMUNICATIONS INC	5.42
		2,136,500.60



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

July 9, 2024

MEMORANDUM

TO: Board of Commissioners
FROM: Mark Handzlik PE, Engineering Manager
SUBJECT: Revisions to Small Works Roster procurement policies and procedures

Requested Action:

Approval to suspend the portions of Policy No. 1031 that apply to public works contracts procured through the Small Works Roster process, as a result suspending Small Works Roster processes identified in an Administrative Practice and Procedure No. 2049.

Background:

In accordance with state law, PUD policies and procedures related to public works contracting provide a streamlined process for smaller projects. Known as the Small Works Roster, the complexity of this type of contracting has increased following the implementation of new laws recently passed by the state legislature (RCW 39.04.010, 39.04.11, and 39.04.152). The PUD is working to understand and respond to the new regulations, but a phased approach is necessary to ensure compliance.

The previous Small Works Roster regulations allowed for a simplified procurement process in lieu of publicly-advertised competitive bidding on projects less than \$350,000 in size. Depending on the size of a project, an agency could select and request quotes from a small number of contractors from a roster administered by that agency. The minimum number of solicited firms ranged from one to five, depending on the estimated cost of the project.

New regulations effective July 1, 2024, have removed the ability to select a small group of contractors to provide quotes for a project, and have created a new "Public Works Small Business Enterprise" (PWSBE) certification program that will be administered by the Office of Minority and Women's Business Enterprise. Owners have a new option for "direct contracting" with firms from this certification program on projects less than \$150,000 in size, or all firms on the appropriate Small Works Roster must be solicited for quotes. Direct contracting consists of selecting a single firm and negotiating a price for the work between the agency and the contractor. New criteria has also been created for small works rosters:

1. Integration of PWSBE certification data
2. Collection of demographic data from participating contractors
3. Annual notice to papers of record
4. Outreach to PWSBE-certified businesses
5. Compliance with Department of Enterprise Services rules on firm rotation when direct contracting, outreach, and data collection (not yet published by DES)

Agencies can continue to administer their own Small Works Roster if they are compliant with all criteria, or they may utilize the non-profit organization Municipal Research and Service Center

(MRSC). MRSC is working to be able to address all of the new criteria for agencies that contract with them for rosters. MRSC had initially stated that an agency could not elect to only use them for the small works rosters, and that all rosters (e.g., professional services) must be transferred to MRSC if the organization was utilized. However, recent publications by MRSC indicate that an agency can choose to only use MRSC for the small works roster while continuing to internally administer its own rosters for other types of work.

Other details of the Small Works Roster process have also changed, but the primary decision before the PUD is who will administer the Small Works Roster and if the new direct contracting option should be employed. Upcoming resources, such as an updated Small Works Roster manual by MRSC and DES rules on outreach and data collection, will likely help the PUD determine if a self-administered Small Works Roster is feasible or if MRSC is the best to administer this roster. In the meantime, the PUD's existing Small Works Roster policies and procedures are not in compliance with the new rules until one of these options is established in a manner that satisfies the new requirements.

It is recommended that the direct contracting option is not utilized at this time. The use of direct contracting will require a significant amount of effort to construct new internal policies and practices on how to choose and negotiate with firms, limits competition, and has uncertainty as guidelines and rules have yet to be published by DES, MRSC, or the state auditor. The new requirement to solicit quotes from an entire roster instead of direct contracting will not negatively affect the PUD's ability to efficiently contract for this work. As information related to this subject will improve over time, the PUD could revisit direct contracting at a later date.

As the PUD works to determine the best path for a new Small Works Roster process, it is recommended that the use of such roster is temporarily suspended by a motion of the Commission. During this suspension period, projects that would have been procured through the Small Works Roster process will be procured through the formal competitive "sealed-bid" process and public advertisement. Over the next several months, PUD staff will develop a recommendation for permanent revisions to the procurement policies and procedures to establish a new Small Works Roster process. Small works processes identified in an Administrative Practice and Procedure No. 2049 will also be suspended as a result of this action.

Fiscal Impact:

None.

Enclosures: 1. [Policy 1031 Purchasing](#)
 2. [AP&P 2049 Procurement of Goods and Services](#)
 3. [Revised Small Works Roster RCWs](#)



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 good, 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 District's Procurement of Goods and Services Administrative Practice & Procedures were adhered to.

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:

Architect and Engineering Services: A/E services rendered by any person, other than as an employee of the District, contracting to perform activities within the scope of the general definition of professional practice in chapters 18.08 (Architects), 18.43 (Engineers and Land Surveyors), or 18.96 (Landscape Architects) RCW.

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: Include travel expenses, registration, material, labor, fuel, equipment and professional services.

Pre-approval: Documentation such as 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.

Personal Services: these services involve technical expertise provided by a consultant to accomplish a specific study, project, task, or other work. (Examples: meeting facilitation, strategic planning, rate setting study)

Public Works: All work, construction, alteration, repair or improvement other than ordinary maintenance.

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, contracts, change orders, invoices, 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 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 the approving official.

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 the **Procurement of Goods and Services Administrative Practice & Procedures**, 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

The approval authority limits of the General Manager and Department Managers correspond to the thresholds in RCW 54.04 for the level of competitive solicitation for the purchases of materials, supplies, or equipment. 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 will notify the Commission if the change order is greater than twenty percent (20%) of the original purchase amount.

3. Monetary Limits

3.1 Material, Supplies, or Equipment

For the purposes of this section, RCW 54.04 establishes the monetary limits and the process to follow before entering into a contract to purchase material, supplies, or equipment.

Level of Competitive Solicitation

	Minimal	Informal	Formal
Dollar Limit	\$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 written / telephone quotes	Detailed criteria, lowest responsible vendor

Number of Firms	1 – 3 quotes From roster	Minimum of 3 Quotes from roster	Public Advertisement
Bid Format	Obtain Best Price	Competitive Quotes	Competitive Bidding using Sealed Bids
Contract	Purchase Order or Contract	Contract Required	Contract Required

Purchases will not be divided to avoid these limits. These amounts are exclusive of sales tax.

For Competitive bidding requirement exemptions, the District will utilize alternate purchasing methods established by RCW 39.04.280 and RCW 39.26.140 on a case-by-case basis.

3.2 Public Works

For the purposes of this section, RCW 39.04 defines “public works” and establishes the monetary limits and the process to follow before entering into a contract for Public Works projects.

The District’s Small Works Roster shall consist of all responsible contractors that have made a request in writing and submitted the necessary records to be on the roster. At least once a year, the District shall publish in the newspaper a notice of the existence of the roster and solicit the names of contractors for such roster. Responsible contractors shall be added at any time they submit a written request and the necessary records.

Level of Competitive Solicitation

	Limited	Minimal	Informal	Formal
Dollar Limit	\$1- \$50,000	\$50,001- \$250,000	\$250,001- \$350,000	\$350,001 or more
Evaluation	Criteria, Lowest Responsible Contractor	Criteria, Lowest Responsible Contractor	Detailed Criteria, Lowest Responsible Contractor	Detailed Criteria, Lowest Responsible Contractor
Number of Firms	Minimum of 3 Quotes, From Roster	Minimum 5 Quotes, From Roster	Minimum. 5 Quotes from Roster, & Notify Entire Roster	Advertise
Bid Format	Competitive Quotes	Competitive Quotes	Competitive Quotes	Formal Bid Using Sealed Bids

Contract	Purchase Order Or Contract	Contract Required	Contract Required	Contract Required
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3.3 Architectural / Engineering Services, Electronic Data Processing and Telecommunications Systems, or Personal Services.

For the purposes of this section, RCW 39.80 establishes the monetary limits and the process to follow before entering into a contract for labor only.

The District's *Professional Services Roster* shall consist of all responsible contractors that have made a request in writing and submitted the necessary records to be on the roster. At least once a year, the District shall publish in the newspaper a notice of the existence of the roster and solicit the names of contractors for such roster. Responsible contractors shall be added at any time they submit a written request and the necessary records.

Level of Competitive Solicitation

	Minimal	Informal	Formal
Dollar Limit	\$1- \$30,000	\$30,001-\$120,000	\$120,001 or More
Evaluation	Simple set criteria	Detailed criteria, select from written proposals	Evaluate proposals, check references, interview short list, select
Number of Firms	1 – 3 firms From roster	3 – 5 firms from Roster, Or Advertise	Public Advertisement
Bid Format	Not Required. Documentation Encouraged	Written Quotes	Formal RFP/RFQ Process
Select	Most Qualified	Evaluate Responses, Most Qualified	Evaluate Responses against criteria, Interview, Most Qualified
Award	Negotiate Contract	Negotiate Contract	Notify successful & unsuccessful firms, Negotiate Contract

Purchases will not be divided to avoid these limits. These amounts are exclusive of sales tax.

The District will use a Request for Qualifications process to select a needed consultant for Engineering, Architectural and/or Landscape Architectural services. The District will use an Advertised Formal Competition for Professional Services that are estimated to exceed \$120,000.

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 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.

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.

Former Title/Policy #:	Resolution 2167-10
Board Approval Date:	1/26/21
Effective Date:	1/26/21
Revision Date:	N/A
General Manager Signature:	Date: 1/26/21



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, 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. 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 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/Engineering Services and 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,
- 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, 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 quotes are required and may be obtained using telephone quotes or written quotes, or both 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. Award to the lowest responsible bidder.

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. 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
Dollar Limit	\$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 written / telephone quotes	Detailed criteria, lowest responsible vendor
Number of Firms	1 – 3	3 plus	Public Advertisement
Bid Format	Obtain Best Price	Competitive Quotes	Competitive Bidding using Sealed Bids
Contract	Purchase Order or Contract	Contract Required	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, supplies, or services in lieu of 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 at least three (3) of the vendors on the roster(s) 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 the 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, they 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 telephone and/or written quotes to assure that a competitive price is established and for awarding the contracts for the purchase of materials, supplies, equipment or services 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 and not 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.

2.1.1 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.

2.1.2 Public works projects of \$50,000 or less. The District is not required to use informal or formal bidding procedures. Any work ordered shall be by contract and procured using solicitation of quotations made by an electronic or written process, from a minimum of three (3) contractors from an appropriate small works roster. The project shall be awarded to the lowest responsible contractor.

2.1.3 Public works projects greater than \$50,000 but less than \$250,000. Any work ordered shall be by contract and procured using solicitation of quotations made by an electronic or written process, from a minimum of five (5) contractors from an appropriate small works roster. The project shall be awarded to the lowest responsible contractor.

2.1.4 Public works projects greater than \$250,000 but less than \$350,000. Any work ordered shall be by contract and procured using solicitation of quotations made by an electronic or written process, from all contractors on the appropriate small works roster, or if not, then a minimum of five (5) contractors from the appropriate small works roster, provided that notice is given to all remaining contractors on the roster that quotations are being sought. The project shall be awarded to the lowest responsible contractor.

2.1.5 Public works projects greater than \$350,000. The District shall enter into a contract. Competitive bidding using sealed bid procedures as provided within RCW 54.04.080.

2.1.6 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, and the Board of Commissioners 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 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 the criteria (Appendix A). The Bidder must:

1. Have a current certificate of registration as a contractor in compliance with RCW 18.27, which must have been in effect at the time of bid submittal;
2. Have a current Washington Unified Business Identifier (UBI) number;
3. If applicable:
 - a. Have Industrial Insurance (workers' compensation) coverage for the bidder's employees working in Washington, as required in Title 51 RCW;
 - b. Have a Washington Employment Security department number, as required in Title 50 RCW;
 - c. Have a Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
4. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
5. Until December 31, 2013, not have violated more than one time the off-site, prefabricated, non-standard, project specific items reporting requirement of RCW 39.04.370.
6. For public works projects subject to the apprenticeship utilization requirement of RCW 3.04.320, not have been found out of compliance by the Washington state apprenticeship and training council.
7. Prior to the award date, the Contractor shall produce evidence of having received by the Department of Labor & Industries training on prevailing wage and public works requirement or are exempt under RCW 39.04.350.

2.1.7 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	Minimal	Informal	Formal
Dollar Limit	\$1- \$50,000	\$50,001- \$250,000	\$250,001- \$350,000	\$350,001 or more
Evaluation	Simple set criteria	Criteria, lowest responsible contractor	Detailed criteria, lowest responsible contractor	Detailed criteria, lowest responsible contractor
Number of Firms	1 - 3 quotes, Or Works Roster	Min. 3 quotes, Or Works Roster	Min. 5 from Works Roster, Or all	Advertise
Bid Format	Obtain Best Price	Competitive Quotes	Competitive Quotes	Formal Bid Using Sealed Bids
Contract	Contract Required	Contract Required	Contract Required	Contract Required

2.1.8 Any work ordered by district commission, the estimated cost of which is in excess of \$50,000, exclusive of sales tax, shall be by contract. However, a district 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

2.1.9 The District may procure public works with a unit priced contract under this section, RCW 54.04.080, or 54.04.085 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.

(a) For the purposes of this section, unit priced contract means a competitively bid contract in which public works are anticipated on a recurring basis to meet the business or operational needs of a district, under which the contractor agrees to a fixed period, indefinite quantity delivery of work, at a defined unit price, for each category of work.

(b) Unit priced contracts must be executed for an initial contract term not to exceed three years with the District having the option of extending or renewing the unit priced contract for one additional year.

(c) Invitations for unit price bids shall include, for purposes of the bid evaluation, estimated quantities of the anticipated types of work or trades, and specify how the District will issue or release work assignments, work orders, or task authorizations pursuant to a unit priced contract for projects, tasks, or other work based on the hourly rates or unit prices bid by the contractor. Where electrical facility construction or improvement work is anticipated, contractors on a unit priced contract shall comply with the requirements under RCW 54.04.085 (1) through (5). Contracts must be awarded to the lowest responsible bidder as per RCW 39.04.010.

(d) Unit price contractors shall pay prevailing wages for all work that would otherwise be subject to the requirements of RCW 39.12. Prevailing wages for all work performed pursuant to each work order must be the rates in effect at the time the individual work order is issued

2.1.10 Awards for Public Projects of \$150,000.00 or less, at the option of the contractor, the District may, in lieu of bond, retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the department of revenue, the employment security department, the department of labor and industries, and the settlement of any liens, whichever is later.

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

2.2. **Public Works Projects - Roster and Quotation Procedures.**

2.2.1 Number of Rosters. The District may create a single general small works roster or may create a small works roster for different specialties or categories of anticipated work. The small works rosters may make distinctions between contractors based upon different geographic areas served by the contractor.

2.2.2 Contractors on Small Works Roster. The small works roster(s) shall consist of all responsible contractors that have requested in writing and submitted the necessary records to be on the roster(s). Application forms shall be available from the District. Contractors must be properly licensed or registered to work in the State of Washington. Contractors desiring to be placed on the roster(s) 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). The District may require master contracts to be signed that become effective when a specific award is made using a small works roster(s). An interlocal contract or agreement between the District and other governments 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.

2.2.3 Publication. At least once a year, the District shall publish in a newspaper of general circulation within the jurisdiction a notice of the existence of the roster(s) and solicit the names of contractors for such roster(s). Responsible contractors shall be added to an appropriate roster(s) at any time they submit a written request and necessary records.

2.2.4 Telephone, electronic, or written quotations. Invitations for quotations shall include an estimate of the scope and the nature of the work to be performed as well as the materials and equipment to be furnished. However, detailed plans and specifications need not be included in the invitation. Quotations may be invited from all appropriate contractors on the appropriate small works roster(s) or alternatively to the number of contractors as threshold limits above stipulate. If the number of contractors contacted has been limited, the District must equitably distribute invitations. Equitably distribute means bids solicited must not favor certain contractors over other contractors on the appropriate small works roster(s) who perform similar services. A contract awarded under this process need not be advertised. At the time quotations are solicited, the District shall not inform a contractor of the terms or amount of any other contractor's quote for the same project. Once a contractor has been afforded an opportunity to submit a proposal, that contractor shall not be offered another opportunity until all other appropriate contractors on the roster have been given an opportunity to submit a quote.

2.2.5 Determining Lowest Responsible Bidder. 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, and the District may call for new bids.

2.2.6 Awards for all Public Works Projects greater than \$120,000 or done by formal solicitation. The General Manager shall present to the Commission the results of the sealed bids and a recommendation for award of the contract to the lowest responsible bidder. A written record shall be made of each contractor's quotation/bid on the project and of any conditions imposed on the quote/bid. Within twenty-four (24) hours of the bid opening, the bid quotations obtained shall be recorded and open to public inspection on the District web site (skagitpud.org).

2.2.7 Awards for Public Works Projects over \$50,000 and up to \$120,000 where at least five (5) contractors have been solicited. The General Manager or his/her designee shall award the contract to the lowest responsible bidder. After the award is made, the quotations shall be open to public inspection and available by electronic request. The District shall maintain a list of the contractors contacted and the contracts awarded during the previous seventy two (72) months, including the name of the contractor, the contractor's registration number, the amount of the contract, a brief description of the type of work performed, and the date the contract was awarded.

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

3.1 The District will follow RCW 39.80 when procuring architectural, landscape architectural, engineering, and land surveying services.

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.

3.3 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.

3.4 Consultant selection under RCW 39.80 can occur in three main scenarios:

3.4.1 With no roster, the District will advertise for consulting services for individual projects, perhaps combining the RFQ and RFP processes, with or without interviews. Best practice supports interviewing firms as part of the selection process.

3.4.2 With a roster, the District may select consultants 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.

3.4.3 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 interview those firms using a committee.

3.5 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.

3.6 Solicitation procedures for personal services will vary with the size and complexity of the contract. Small contracts may not warrant a full RFQ/RFP process that a larger contract may require.

Level of Competitive Solicitation

	Minimal	Informal	Formal
Dollar Limit	\$1- \$30,000	\$30,001- \$120,000	\$120,001 or More
Evaluation	Simple set criteria	Detailed criteria, select from written proposals	Evaluate proposals, check references, interview short list, select
Number of Firms	1 – 3 from Service Roster	3 – 5 form Service Roster or Advertise	Public Advertisement

Bid Format	Not Required. Phone / Internet Documentation Encouraged	Written Quotes	Formal RFP/RFQ Process
Select	Most Qualified	Evaluate Responses, most qualified	Evaluate Responses against criteria, Interview, most qualified
Award	Negotiate Contract	Negotiate Contract	Notify successful & unsuccessful firms, Negotiate Contract

3.7 **Request for Qualification Process** - Notice of the request for the qualifications must be published in advance when the project scope is estimated to exceed \$120,000.

3.7.1 Requests for qualifications 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 process
- h. Acceptable method for return of proposal request documents (i.e. fax, email and regular mail)

3.7.2 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. Evaluate proposals strictly against criteria set forth in the RFP/RFQ and score. Tabulate scores and determine ranking of proposers. Interviews are not required, but can be used as part of the evaluation process. Determine final scoring and select apparent successful firm.

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

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.


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.
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.

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 B). 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/AP&P #:	N/A
Effective Date:	1/26/21
Revision Date:	
General Manager Signature:	 <small>George Sidu (Jan 27, 2021 09:33 PST)</small>
	Date: 1/26/21

Appendix A

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:
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 B

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

General Manager

Date

NEW RCWS EFFECTIVE JULY 1, 2024

RCW 39.04.010

Definitions. (Effective July 1, 2024.)

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Authorized local government" means a political subdivision of the state, school district, or special purpose district with public works authority.
- (2) "Award" means the formal decision by the state or municipality notifying a responsible bidder with the lowest responsive bid of the state's or municipality's acceptance of the bid and intent to enter into a contract with the bidder.
- (3) "Contract" means a contract in writing for the execution of public work for a fixed or determinable amount duly awarded after advertisement and competitive bid, or a contract awarded under the small works roster process in RCW 39.04.151 through 39.04.154.
- (4) "Municipality" means every city, county, town, port district, district, or other public agency authorized by law to require the execution of public work, except drainage districts, diking districts, diking and drainage improvement districts, drainage improvement districts, diking improvement districts, consolidated diking and drainage improvement districts, consolidated drainage improvement districts, consolidated diking improvement districts, irrigation districts, or other districts authorized by law for the reclamation or development of waste or undeveloped lands.
- (5) "Public work" means all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein. All public works, including maintenance when performed by contract shall comply with chapter 39.12 RCW. "Public work" does not include work, construction, alteration, repair, or improvement performed under contracts entered into under RCW 36.102.060(4) or under development agreements entered into under RCW 36.102.060(7) or leases entered into under RCW 36.102.060(8).
- (6) "Responsible bidder" means a contractor who meets the criteria in RCW 39.04.350.
- (7) "Small business" means a business meeting certification criteria for size, ownership, control, and personal net worth adopted by the office of minority and women's business enterprises in accordance with RCW 39.19.030.
- (8) "State" means the state of Washington and all departments, supervisors, commissioners, and agencies of the state.
- (9) "State agency" means the department of enterprise services, the state parks and recreation commission, the department of natural resources, the department of fish and wildlife, the department of transportation, any institution of higher education as defined under RCW 28B.10.016, and any other state agency delegated authority by the department of enterprise services to engage in construction, building, renovation, remodeling, alteration, improvement, or repair activities.

[2023 c 395 § 2; 2008 c 130 § 16; 2007 c 133 § 1; 2000 c 138 § 102; 1997 c 220 § 402 (Referendum Bill No. 48, approved June 17, 1997); 1993 c 174 § 1; 1989 c 363 § 5; 1986 c 282 § 1; 1982 c 98 § 1; 1977 ex.s. c 177 § 1; 1923 c 183 § 1; RRS § 10322-1.]

NOTES:

Findings—Intent—2023 c 395: "The legislature finds the need to increase equity and efficiencies in public works procurement. The legislature further finds that small, minority, women, and veteran-owned businesses are essential to a robust and high-functioning economy, which provides high quality living wage jobs throughout the state. The legislature further finds that public works contracting agencies need a streamlined and effective method for delivering small public works projects while protecting worker rights. Therefore, the legislature intends to provide a small business definition, best practices to be included in inclusion plans, and to update and revise the small and limited works roster process to increase administrative efficiency, to encourage greater participation and utilization by small, minority, women, and veteran-owned businesses, and continue to protect the rights of workers engaging in public works projects." [2023 c 395 § 1.]

Effective date—2023 c 395 §§ 1-30, 32-34, 36, and 37: "Sections 1 through 30, 32 through 34, 36, and 37 of this act take effect July 1, 2024." [2023 c 395 § 39.]

Purpose—Part headings not law—2000 c 138: See notes following RCW 39.04.155.

Referendum—Other legislation limited—Legislators' personal intent not indicated—Reimbursements for election—Voters' pamphlet, election requirements—1997 c 220: See RCW 36.102.800 through 36.102.803.

Municipalities—Energy audits and efficiency: RCW 43.19.691.

RCW 39.04.151

Small works roster—State agencies, authorized local governments may establish—Municipal research and services center—Rules. (Effective July 1, 2024.)

(1) A state agency or an authorized local government may utilize a statewide small works roster in accordance with subsection (2) of this section or create and maintain 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.

(a) The small works roster 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.

(b) A state agency or authorized local government establishing a small works roster must require contractors desiring to be placed on the roster to 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 to keep current records of any applicable licenses, certifications, registrations, bonding, insurance, or other appropriate matters on file with the appropriate agency as a condition of being placed on the roster and award of contract.

(c) At least once a year, the state agency or local government must 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 and solicit contractors for the roster.

(d) Responsible contractors must be added to an appropriate roster at any time they submit a written request and the necessary records.

(e) The contractor must agree and be able to receive notifications and other communications via email.

(f) State agencies or authorized local governments using a small works roster may not break a project into units or construct a project by phases if done for the purposes of avoiding maximum dollar amounts set by chapter 395, Laws of 2023.

(2) The department of commerce though [through] the municipal research and services center shall develop a statewide small works roster in compliance with subsection (1) of this section by June 30, 2024. The municipal research and services center must develop criteria for the statewide roster with collaboration from affected state and local agencies. The statewide roster must have features to filter the roster by different specialties, categories of anticipated work, or geographic areas served by contractors. The roster must also indicate if the contractor is designated as a small business as defined in RCW 39.04.010.

(3) The department of commerce shall provide funding to the municipal research and services center as appropriated to maintain and publicize a small works roster and work with the municipal research and services center to notify state and local governments authorized to use small works rosters of the statewide roster authority and to provide guidance on how to use the authority. The guidance may take the form of a manual provided to local governments.

(4) A state agency establishing a small works roster shall adopt rules implementing this section. A local government establishing a small works roster shall adopt an ordinance or resolution implementing this section. Procedures included in rules adopted by the department of enterprise services in implementing this section must be included in any rules providing for a small works roster that is adopted by another state agency, if the authority for that state agency to engage in these activities has been delegated to it by the department of enterprise services under chapter 43.19 RCW. An interlocal contract or agreement between two or more state agencies or local governments establishing a small works roster to be used by the parties to the agreement or contract must clearly identify the lead entity that is responsible for implementing the provisions of this subsection.

[2023 c 395 § 14.]

NOTES:

Effective date—2023 c 395 §§ 1-30, 32-34, 36, and 37: See note following RCW 39.04.010.

Findings—Intent—2023 c 395: See note following RCW 39.04.010.

RCW 39.04.152

Uniform small works roster provisions—Invitations for bids—Retainage, performance bonds—Bid quotations—List of small works contracts awarded. (Effective July 1, 2024.)

(1) This section provides uniform small works roster provisions to award contracts for construction, building, renovation, remodeling, alteration, repair, or improvement of real property that may be used by state agencies and by any local government that is expressly authorized to use these provisions. These provisions may be used in lieu of other procedures to award contracts for such work with an estimated cost of \$350,000 or less excluding state sales tax. The **small works roster process includes the direct contract provisions** authorized under this section and any local government authorized to award contracts using the small works roster process under this section **may award contracts using the direct contract provisions** of this section. **State agencies and authorized local governments using small works rosters must establish procedures for implementing chapter 395, Laws of 2023.**

(2) State agencies and authorized local governments must document good faith efforts annually implementing subsections (6) and (7) of this section.

(3) **Invitations for bids or direct contract negotiation must include, at a minimum, 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.

(4) The department of enterprise services must develop and make available on its public-facing website templates for bid invitations, bidding, and contracting that may be used by state agencies, authorized local governments, and contractors.

(a)(i) For small works roster projects with an estimated cost less than \$350,000, not including sales tax, state agencies and authorized local governments may contract by securing written or electronic quotations to assure that a competitive price is established and to award contracts to the responsible bidder with the lowest responsive bid.

(ii) A state agency or authorized local government contracting through a small works roster shall invite bids notifying all contractors on the applicable roster that have indicated interest in performing work in the applicable geographical area.

(b) **For small public works projects with an estimated cost less than \$150,000, not including sales tax, to increase the utilization of small businesses, state agencies and local governments are encouraged to and may direct contract with small businesses as defined in chapter 395, Laws of 2023, before direct contracting with other contractors on the appropriate small works roster without a competitive process as follows:**

(i) If there are six or more contractors meeting the definition of small business on the applicable roster, the state agency or authorized local government must direct contract with one of those small businesses on the applicable roster that have indicated interest in performing work in the applicable geographical area. A state agency or authorized local government utilizing direct contracting pursuant to this subsection must rotate through the contractors on the appropriate small works roster and must, 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, utilize different contractors on different projects.

(ii) If there are five or less contractors meeting the definition of small business on the applicable roster, the state agency or authorized local government may direct contract with any contractor on the applicable roster.

(iii) The state agency or authorized local government must notify small, minority, women, or veteran-owned businesses on the applicable roster when direct contracting is utilized.

(iv) It is the intent of the legislature to increase utilization of small, minority, women, and veteran-owned businesses. Each state agency and authorized local government shall establish a small, minority, women, and veteran-owned business utilization plan. A state agency or authorized local government engaging in direct contracting may not favor certain contractors on the appropriate small works roster by repeatedly awarding contracts without documented attempts to direct contract with other contractors on the appropriate small works roster.

(v) If the state agency or authorized local government elects not to use the methods outlined in this subsection, it may not use direct contracting and must invite bids by electronically notifying all contractors on the applicable roster that have indicated interest in performing work in the applicable geographical area as described in this section.

(5) For small public works contracts under \$5,000, there is no requirement for retainage or performance bonds. Small public works contracts valued at more than \$5,000 shall be subject to performance bond requirements set forth in chapter 39.08 RCW and retainage requirements set forth in chapter 60.28 RCW, provided, however, that the awarding state agency or authorized local government may reduce or waive retainage requirements set forth in RCW 60.28.011(1)(a), thereby assuming the liability for the contractor's nonpayment of: (a) Laborers, mechanics, subcontractors, materialpersons, and suppliers; and (b) taxes, increases, and penalties pursuant to Titles 50, 51, and 82 RCW that may be due from the contractor for the project. Any such waiver will not affect the rights of the state agency or local government to recover against the contractor for any payments made on the contractor's behalf. For small public works contracts awarded through a bid solicitation, notice of any retainage reduction or waiver must be provided in bid solicitations.

(6) After an award is made, the bid quotations obtained shall be recorded, publicly available, and available by request.

(7) Annually, a state agency or authorized local government must publish a list of small works contracts awarded and contractors contacted for direct negotiation pursuant to RCW 39.04.200.

[2023 c 395 § 15.]

NOTES:

Effective date—2023 c 395 §§ 1-30, 32-34, 36, and 37: See note following RCW 39.04.010.

Findings—Intent—2023 c 395: See note following RCW 39.04.010.



1415 Freeway Drive | Mount Vernon, Washington 98273 | (360) 424-7104 | SkagitPUD.org

July 9, 2024

MEMORANDUM

TO: Board of Commissioners

FROM: Mike Fox, Operations Manger

SUBJECT: Recommendation for Removal of Capital Assets from Capital Asset Ledger Surplus

Requested Action:

Authorize general manager to retire asset numbers 99, 155, 170, 171, 172, 175, 180, 201, 203, 215, 227, and P10 from the capital asset ledger.

Background:

Per our Fixed and Theft Sensitive Asset Policy No. 1022, capital assets that are surplus to the PUD’s needs may be removed from the fixed asset ledger by motion and approval of the Commission.

Fixed Asset Number	Description	Purchase Year	Amount	Reason for Removal	Method of Disposal
EQ-VM-99	1980 John Deere Backfill tractor	1980	\$20,048.15	End of Economic Life	Sale/Auction
EQ-VM-155	1993 John Deere 540 tractor	1993	\$25429.13	End of Economic Life	Sale/Auction
EQ-VM-170	GMC 3500 Dump truck	1995	\$28407.78	End of Economic Life	Sale/Auction
EQ-VM-171	1995 Sturdyweld 3 Axle pup trailer	1995	\$29,376.30	End of Economic Life	Sale/Auction
EQ-VM-172	1995 Sturdyweld 3 Axle pup trailer	1995	\$29,376.30	End of Economic Life	Sale/Auction
EQ-VM-175	1995 Lee Boy 1000B Paver	1995	\$37,999.95	End of Economic Life	Sale/Auction

EQ-VM-180	1996 Lee Boy LT 250 Tack machine	1996	\$3,234.00	End of Economic Life	Sale/Auction
EQ-VM-201	Ford F250	2002	\$29814.45	End of Economic Life	Sale/Auction
EQ-VM-203	Chevrolet 1500	2003	\$23647.02	End of Economic Life	Sale/Auction
EQ-VM-215	Ford F250	2006	\$30149.97	End of Economic Life	Sale/Auction
EQ-VM-227	Ford F250	2008	\$28698.57	End of Economic Life	Sale/Auction
EQ-P10	Trench Shoring		\$8320.51	End of Economic Life	Sale/Auction

Fiscal Impact:

None.

Enclosures:

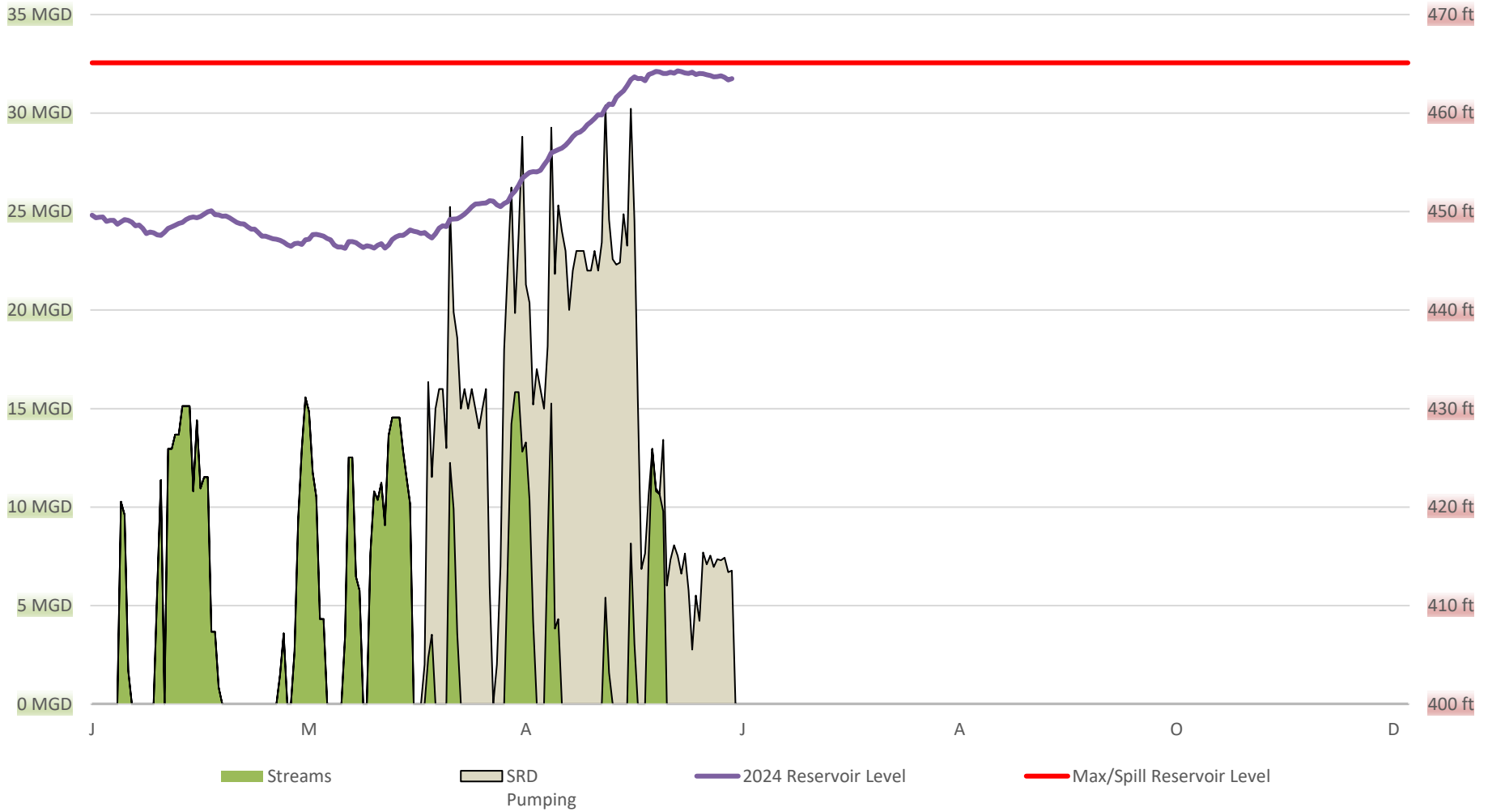
PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY
MAY 2024

	<u>Current Month</u>	<u>YTD 2023</u>	<u>YTD 2024</u>	<u>Percent Change</u>	<u>Budget 2024</u>	<u>Budget to Actual %</u>
Beginning Reserves		\$ 41,793,611	\$ 37,333,480	-11%		
Revenues						
Residential & Multi-family	\$ 1,610,872	\$ 8,552,814	\$ 8,765,466	2%	\$ 8,890,322	99%
Comm. Gov't & Agriculture	\$ 597,617	3,024,146	3,223,897	7%	2,991,496	108%
Resale	\$ 13,265	53,366	62,818	18%	52,061	121%
Irrigation	\$ 38,462	122,739	119,925	-2%	94,523	127%
Water Sales	\$ 2,260,216	\$ 11,753,064	\$ 12,172,106	4%	\$ 12,028,402	101%
Other Water Sales	\$ 53,660	209,562	248,957	19%	227,304	110%
Non-operating Revenue	\$ 160,978	773,100 (a)	897,102	16%	425,447	211%
Work & Service Orders	\$ 13,206	179,692 (b)	249,482	39%	216,686	115%
System Development Fees	66,055	248,791 (c)	465,568	87%	375,030	124%
Total Revenues	\$ 2,554,115	\$ 13,164,209	\$ 14,033,215	7%	\$ 13,272,869	106%
Operating Expenses						
Salary/Wages/Benefits	\$ 883,676	4,318,939 (d)	4,720,499	9%	5,187,529	91%
WTP - Water, Power, Chem.	\$ 169,866	513,385	535,179	4%	639,185	84%
Repairs & Maint, and Fleet	\$ 69,669	503,831	526,499	4%	695,581	76%
Tech./SCADA/Support	\$ 65,608	347,613 (e)	412,644	19%	314,619	131%
Professional Services	\$ 37,588	78,186 (f)	132,103	69%	320,911	41%
Goods & Services	\$ 152,703	834,166	765,719	-8%	962,778	80%
Utility & Other Taxes	\$ -	609,521	522,467	-14%	663,802	79%
Construction in Progress	(149,402)	(401,254) (g)	(498,315)	24%	(595,884)	84%
Total Operating Expenses	\$ 1,621,947	\$ 6,804,387	\$ 7,116,796	5%	\$ 8,188,521	87%
Capital Expenses						
Labor	\$ -	605,173	403,570	-33%	653,220	62%
Other Expenses (Equip, Inv, G&S)	3,708,589	5,245,717	10,442,592	99%	11,710,530	89%
Capital Expenses	\$ 3,708,589	\$ 5,850,890	\$ 10,846,162	85%	\$ 12,363,750	88%
Debt (Principal & Interest)	394,444	1,598,750	1,972,222	23%	1,972,222	100%
Total Capital & Debt Service	\$ 4,103,033	\$ 7,449,640	\$ 12,818,384	72%	\$ 14,335,972	89%
Total Expenses	\$ 5,332,742	\$ 14,254,027	\$ 19,935,180	40%	\$ 22,524,493	89%
Revenue Fund		\$ 32,295,752	\$ 25,177,876	-22%		
System Development Fees		4,719,568	6,229,166	32%		
Bond & Debt Reserve		2,553,341	3,348,400	31%		
Ending Estimated Reserves		\$ 39,568,661	\$ 34,755,442	-12%		

- (a) Increase Interest on Investments
- (b) Increase in Work for others
- (c) Increase in Development
- (d) Timing of payroll compared to prior year
- (e) Timing of Projects, Repairs & Purchases
- (f) Timing of Projects
- (g) Increase in Capital Construction

2024 Judy Reservoir Inflows & Elevation

June 19 Elevation:	463.88 (ft)
June 26 Elevation:	463.50 (ft)
Change in Elevation:	<u>-0.38 (- 4.6 Inches)</u>
Spillway Elevation:	465.10
Stream Inflow YTD:	704.90 MG
Skagit River YTD:	<u>1112.60 MG</u>



5-YEAR JUDY RESERVOIR ELEVATIONS

