

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING**

District Office

772 Chesapeake Dr., Shelton, WA 98584

June 9, 2016 1:00 P.M.

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes *pg 2-3*

SPECIAL BUSINESS:

7. Interview Commissioner 3 Applicants
8. Optional Executive Session for the purpose of evaluating the qualifications of a candidate for appointment to elective office, under RCW 42.30.110 section 1(h).
9. Commissioner 3 Appointment and Oath of Office

REPORTS:

10. Commissioner Reports
11. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Early Voucher 2016-16
 - Voucher 2016-17
 - Voucher CP 41
12. Manager's Report

BUSINESS:

13. MDG Wastewater Contract Proposal *pg. 4-14*
14. Broadband Environmental Services Contract
15. Water Treatment Project Bid Advertisement
16. Purchasing Manual Sections 3 and 4, Vendor List and Small Purchases and Works *pg. 15-30*
17. Well 1 Replacement and Project Funding
18. Newsletter Topics

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
May 26, 2016
District Office 772 Chesapeake Dr., Shelton, WA 98584**

MINUTES

PRESENT: Secretary M.A. Cary, Commissioner D. McNabb, Accounting and Administrative Services Manager (AAS) M. Carnahan, General Manager (GM) M. Jeffreys.

CALL TO ORDER: The meeting was called to order at 1:00 pm.

SUBSCRIBER REMARKS: Andrew Hospador, Ann McDonald, Jim Anderson, and Roger Ray present.

CORRESPONDENCE:

- FROM: HPMa RE: Building Permit Application for Well 1 Replacement
- FROM: WASWD RE: Director Blair's retirement

PRESENT AGENDA: The agenda for the May 26, 2016 regular meeting was presented. GM requested the addition of Grundfos Effluent Pump Installation Proposal under "Business." *Commissioner McNabb moved to adopt the agenda as amended. Commissioner Cary seconded. Hearing no objections, the amended agenda was adopted.*

MINUTES: The minutes for the May 12, 2016 regular meeting were presented. Commissioner Cary requested additional details to be added under the Financial/Administrative Report. *Commissioner McNabb moved to approve the minutes as amended. Commissioner Cary seconded. Hearing no objections, the amended minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb reported that in reading Woodrow Wilson's biography, he noted that President Wilson's platform in 1909 included two public utilities measures, one of which was water conservation.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2016-15, in the amount of \$4,362.97, was presented. *Commissioner Cary moved to approve the voucher. Commissioner McNabb seconded. Hearing no objections, the voucher was approved.*

Manager's Report: A written report was presented (attached).

BUSINESS:

Review Commissioner 3 Applicant Letters; Select Applicants for Interview: Andrew Hospador and Ann McDonald have submitted letters of interest for the vacant Commissioner 3 position. *Commissioner McNabb moved to invite Andrew Hospador and Ann McDonald to*

interview for the open Commissioner 3 position at the regular meeting of the Board of Commissioners on June 9, 2016 at 1:00 pm. Commissioner Cary seconded. Hearing no objections, the motion passed.

Wastewater Operation; MDG Wastewater Proposal: GM recommended the District end its contract with George Campbell, Broadband Environmental Services, for the wastewater plant operations and seek to contract with a new operator. Marty Grabill of MDG Wastewater and Water Treatment has come highly recommended and has submitted a preliminary proposal for wastewater plant operations and maintenance.

Meeting recessed at 2:15 pm. Meeting reconvened at 2:35 pm.

Marty Grabill spoke with the Board about his credentials and his proposal. ***Commissioner McNabb moved to request a formal proposal from MDG Wastewater for review and consideration at the June 9th regular meeting. Commissioner Cary seconded. Hearing no objections, the motion passed.***

Grundfos Effluent Pump Installation Proposal: Grundfos submitted a proposal to remove the wastewater effluent pump and install the spare effluent pump. The proposal amount, including sales tax, is for \$4,337.83. ***Commissioner Cary moved to approve the proposal. Commissioner McNabb seconded. Hearing no objections, the proposal was approved.***

Water and Wastewater Maintenance and Repair Budgets: AAS prepared and presented a 4-year history of the repair and maintenance budget vs. actual. Repair and maintenance projects are not being completed in a timely manner because it is hard to keep a reliable worker on a part-time basis. Jeffreys Management Services has a new employee starting in June who will perform meter reading, maintenance, minor repairs, and assist with larger repairs.

Public Works Contracting Resolution: AAS began work on a comprehensive District purchasing manual and presented the first two sections for the commissioner to review. The AAS and GM will work together to draft proposed policies and procedures for public works projects under \$35,000 for the Board's consideration at the next meeting. The commissioners directed the AAS to continue work on the purchasing manual which may be adopted at a later meeting.

Meeting was adjourned at 3:20 pm.

Respectfully Submitted By:

Mary Alice Cary, Board Secretary

Approved at the Regular Meeting of the Board on: _____

MDG Wastewater & Water Treatment

Marty Grabill, Owner/Manager UBI # 603330001

Phone: 253-888-1161 email: mdg189@yahoo.com

Hartstene Pointe Water-Sewer District Wastewater Treatment Plant Operations Proposal

Scope of Work:

- General operation of the Hartstene Pointe Water-Sewer District wastewater treatment plant (WWTP) in accordance with the District's National Pollutant Discharge and Elimination System (NPDES) permit
- Daily monitoring of the WWTP
- Prepare/perform all required sampling and lab testing
- Prepare all required reporting, including:
 - Monthly and annual Daily Monitoring Reports (DMR)
 - Annual Biosolids Report
 - Annual Waste Load Assessment
- Prepare all WWTP permit applications, including:
 - Biosolids Permit renewal
 - NPDES Permit renewal
- Create and manage a WWTP Preventative Maintenance Program
- Perform routine maintenance of WWTP equipment, i.e. greasing of equipment, oil changes, including lab equipment.
- Maintain WWTP logs and records
- Order routine supplies and materials
- Respond to regulatory agency and customer concerns/questions/correspondence
- Advise the District regarding repair/replacement of WWTP equipment

Rate Schedule:

- \$4,500 per month for routine operations and maintenance as described
- \$70/hour (two hour minimum) for emergency after-hours call-outs
- Non-routine equipment repairs will be individually bid.

Thank you,

Marty Grabill

AGREEMENT FOR CONSULTING SERVICES

This Agreement is made and entered into this ____ day of _____, 20__, by and between the Hartstene Pointe Water-Sewer District, a municipal corporation in Mason County, Washington ("District") and MDG Wastewater & Water Treatment (Consultant") for the purposes forth below.

1. Scope of Consulting Services. Consultant shall provide consulting services to the District under the terms of this Agreement. The scope of services is more fully described on Exhibit A attached hereto and incorporated herein by this reference.

2. Compensation and Payment. District shall pay Consultant for the performance of the services set forth on Exhibit A. Such compensation shall be payable in the following manner:

a. Consultant shall submit a detailed monthly billing for all services provided describing in reasonable and understandable detail the services rendered, fees charged and expenses incurred by Consultant during the previous month in accordance with a schedule of rates and charges set forth on Exhibit B, including fees and expenses for additional services authorized by District as provided herein. District shall pay the invoice within thirty (30) days of receipt, except as to any disputed amounts.

b. Upon District's failure to pay within thirty (30) days of receipt the undisputed amount set forth in any monthly billing submitted to District by Consultant, such unpaid balance will bear interest at the rate of 1% per month until the amount of such unpaid balance, plus interest thereon shall be paid in full.

3. Schedule of Work. Consultant shall commence the performance of its services under this Agreement upon receipt of notice by the District to do so and shall provide the services in accordance with the schedule on Exhibit A, subject to delays for causes beyond the reasonable control of Consultant or as otherwise agreed to by District.

4. Subcontractors. Consultant shall not subcontract or assign any portion of the work covered by this Agreement without the prior written approval of the District.

5. Independent Contractor. Consultant is an independent contractor and not an employee of the District. Consultant shall be responsible in full for payment of its employees, including insurance and deductions, and for payment to any subcontractors. No personnel employed by Consultant shall acquire any rights or status regarding the District. All of the services required hereunder shall be performed by Consultant or under its direction, and all personnel engaged therein shall be fully qualified under applicable state, federal and local law to undertake the work performed by them.

6. Changes in Scope of Services. The District may require changes or modifications in the scope of services to be performed under this Agreement. Any such changes or modifications shall be in writing and signed by the parties to this Agreement. The compensation for the changes or modifications, whether a decrease or increase, shall be on the same terms and conditions as set forth in paragraph 2 above or in a manner otherwise mutually agreed to by the parties.

7. Insurance. Consultant shall maintain throughout the performance of this Agreement the following types and amounts of insurance.

a. Comprehensive business automobile liability insurance covering personal injury and property damage claims arising from the use of motor vehicles with combined single limits of One Million Dollars (\$1,000,000), including any owned, hired and non-owned automobiles.

b. Commercial General Liability Insurance written on an occurrence basis with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and

c. Professional liability insurance (Errors and Omissions insurance) with limits no less than One Million Dollars (\$1,000,000) for each claim with a maximum deductible or self-insured retention not exceeding \$10,000 unless approved by the district.

The insurance policies shall: (1) state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) be primary to any insurance maintained by the District, except as respects losses attributable to the sole negligence of the District; and (3) shall state that the District will be given 45 days prior written notice of any cancellation, intended non-renewal or reduction in coverage.

The District, its elected and appointed officials, officers, employees, agents and volunteers shall be named as insureds on the Commercial General and Business Automobile Liability Insurance policies with regard to work and services performed by or on behalf of the Consultant and a copy of the endorsement naming these parties as insureds shall be attached to the Certificate of Insurance.

Before commencing work and services, Consultant shall provide to the District a Certificate of Insurance evidencing the insurance described above and shall also complete and provide to the District the insurance forms attached hereto as Exhibit C. The District reserves the right to request and receive a certified copy of all required insurance policies.

The above insurance limits do not constitute a limit on Consultant's liability to the District. Any payment of deductible or self-insurance retention shall be the sole responsibility of Consultant.

Consultant shall be solely responsible for the safety of its employees and subcontractors at the Project work site, and shall comply with all applicable federal, state and local statutes, regulations and ordinances regarding safety.

8. Indemnification. Consultant shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against all claims, injuries, damages, liabilities, losses of suits, including attorneys' fees and costs, arising out of or relating to Consultant's performance under this Agreement, except for

injuries or damages caused by the sole negligence of the District. For the purposes of this indemnification, Consultant specifically and expressly waives any immunity granted under the Washington Industrial Insurance Act, Title 51 RCW. This waiver has been mutually negotiated and agreed to by the parties. If a court of competent jurisdiction determines that this contract is subject to RCW 4.24.115, Consultant's obligation to defend, indemnify and hold harmless the District, its officers, employees, agents and volunteers shall be limited to the extent of Consultant's negligence. The provisions of this Section shall survive the expiration or termination of this Agreement.

9. Ownership of Documents. Consultant agrees to return to District upon termination of this Agreement all documents, drawings, photographs and other written or graphic material, however produced, received from District and used by Consultant in performance of its services hereunder. All documents, drawings, specifications, designs, mylars, surveys, survey data, reports and other work product (collectively referred to as "Work Product") produced by Consultant in connection with the services rendered under this Agreement shall be owned by District. District shall own all copyrights to such Work Product and Consultant agrees to assign all ownership rights to such Work Product to the District. Reuse of any such Work Product by the District for other than a specific project or modification in use by the District of any of the Work Product without the Consultant's prior written approval shall be at the District's sole risk.

10. Standard of Care. Consultant warrants that its services shall be performed with the level of care, skill and competence of the consulting profession in accordance with the standard for professional services at the time the services are rendered.

11. Right of Entry. District shall provide for the right of entry of Consultant and its subcontractors and all necessary equipment in order to complete the services under this Agreement.

12. Compliance with Codes and Standards. Consultant's Professional Services shall be consistent with the standard of care and shall incorporate those publicly known federal, state and local laws, regulations, codes and standards that are applicable at the time Consultant renders its services.

13. Discovery of Hazardous Materials. The parties recognize that unanticipated hazardous materials or suspected hazardous materials may be discovered on District's property or on property included as part of the site of work but not owned by District. The discovery of unanticipated hazardous materials may delay the Consultant's provision of the services required herein. In that event, the parties may extend the Contract Completion Date by mutual agreement.

14. Termination. This Agreement may be terminated by the District upon 30 days written notice for any reason or upon 60 days written notice by the Consultant for any reason. In the event of termination, Consultant shall be entitled to compensation for all services performed and costs incurred through and including the date of termination, except as to any disputed amounts.

15. General Provisions.

a. Notices. Any notice or demand desired or required to be given under this Agreement shall be in writing and deemed given when personally delivered, sent by facsimile machine, or deposited in the United States Mail (or with an express courier), postage prepaid, sent certified or registered mail, and addressed to the parties as set forth below or to such other address as either party shall have previously designated by such a notice:

Hartstene Pointe Water-Sewer District
772 E Chesapeake Drive
Shelton, WA 98584
Attn: General Manager

Marty Grabill
MDG Wastewater & Water Treatment

b. Attorneys' Fees. In the event that any party commences litigation against the other party relating to the performance, enforcement or breach of this Agreement, the prevailing party in such action shall be entitled to all costs, including attorneys' fees and costs and any such fees or costs incurred on appeal.

c. Entire Agreement. This Agreement and its exhibit attachments contain the entire understanding between the District and Consultant relating to the consulting services which are the subject of this Agreement. This Agreement merges all prior discussions, negotiations, letters of understanding or other promises whether oral or in writing. Subsequent modification or amendment of this Agreement shall be in writing and signed by the parties to this Agreement.

d. Waiver. Waiver of any breach or default hereunder shall not constitute a continuing waiver or a waiver of any subsequent breach either of the same or of another provision of this Agreement.

e. Assignment. Neither party shall assign, transfer or otherwise dispose of this Agreement in whole or in part to any individual, firm or corporation without the prior written consent of the other party. Subject to the provisions of the preceding sentence, this Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto. This Agreement is made only for the benefit of the District and Consultant and successors in interest and no third party or person shall have any rights hereunder whether by agency, as a third party beneficiary, or otherwise.

f. Jurisdiction/Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Any suit to enforce or relating to this Agreement shall be brought in Mason County Superior Court, Mason County, Washington.

g. Severability. If any term, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall remain in effect.

h. Effective Date. The effective date of this Agreement shall be the date that the contract has been signed by authorized representatives of both parties hereto.

CONSULTANT:

MDG Wastewater and Water Treatment

DISTRICT:

Hartstene Pointe Water-Sewer District

Marty Grabill, Owner/Manager

Board President

Address:

Address:

772 E Chesapeake Drive
Shelton, WA 98584

Phone: _____

Phone: (360) 427-2413

Date: _____

Date: _____

Exhibit A

Scope of Work

- General operation of the Hartstene Pointe Water-Sewer District wastewater treatment plant (WWTP) in accordance with the District's National Pollutant Discharge and Elimination System (NPDES) permit
- Daily monitoring of the WWTP
- Prepare/perform all required sampling and lab testing
- Prepare all required reporting, including:
 - Monthly and annual Daily Monitoring Reports (DMR)
 - Annual Biosolids Report
 - Annual Waste Load Assessment
- Prepare all WWTP permit applications, including:
 - Biosolids Permit renewal
 - NPDES Permit renewal
- Create and manage a WWTP Preventative Maintenance Program
- Perform routine maintenance of WWTP equipment, i.e. greasing of equipment, oil changes, including lab equipment.
- Maintain WWTP logs and records
- Order routine supplies and materials
- Respond to regulatory agency and customer concerns/questions/correspondence
- Advise the District regarding repair/replacement of WWTP equipment

Exhibit B
Schedule of Rates and Charges

- \$4,500 per month for routine operations and maintenance as described
- \$70/hour (two hour minimum) for emergency after-hours call-outs
- Non-routine equipment repairs will be individually bid.

EXHIBIT C
INSURANCE SPECIFICATIONS

HOLD HARMLESS AND INDEMNIFICATION AGREEMENT

Contractor shall defend, indemnify and hold harmless the District, its elected and appointed officers, officials, employees, agents and volunteers from and against any and every claim and risk and all losses, damages, demands, suits, judgments and attorney fees, and other expenses of any kind, on account of injury to or death of any and all persons and/or on account of all property damage of any kind, whether tangible or intangible, including loss of use resulting therefrom, in connection with the work performed under this contract, or caused or occasioned in whole or in part by reason of the presence of the Contractor or its subcontractors, or their property, employees or agents, upon or in proximity to the property of the District, or any other property upon which the Contractor is performing any work called for or in connection with this contract, except only for those losses resulting solely from the negligence of the District, its officers, officials, employees and agents.

Should a court of competent jurisdiction determine that this Hold Harmless and Indemnification Agreement is subject to RCW 4.24.115, then in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the District, its officials, officers, employees and agents, the Contractor's liability hereunder shall be only to the extent of the contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes Contractor's waiver of immunity under industrial insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties.

If a lawsuit arises in respect to this Hold Harmless and Indemnification Agreement, the Contractor shall appear and defend that lawsuit at its own cost and expense, and if judgment is rendered or settlement made requiring payment of damages by the District, its elected or appointed officers, officials, employees, agents and volunteers, the Contractor shall pay the same.

INSURANCE SPECIFICATIONS

Consultant shall maintain throughout the performance of this Agreement the following types and amounts of insurance.

a. Comprehensive business automobile liability insurance covering personal injury and property damage claims arising from the use of motor vehicles with combined single limits of One Million Dollars (\$1,000,000), including any owned, hired and non-owned automobiles.

b. Commercial General Liability Insurance written on an occurrence basis with limits no less than One Million Dollars (\$1,000,000) combined single limit per occurrence and Two Million Dollars (\$2,000,000) aggregate for personal injury, bodily injury and property damage. Coverage shall include, but not be limited to: blanket contractual; products/completed operations; broad form property damage; explosion, collapse and underground (XCU) if applicable; and employer's liability; and

c. Professional liability insurance (Errors and Omissions insurance) with limits no less than One Million Dollars (\$1,000,000) for each claim with a maximum deductible or self-insured retention not exceeding \$10,000 unless approved by the district.

The insurance policies shall: (1) state that coverage shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability; (2) be primary to any insurance maintained by the District, except as respects losses attributable to the sole negligence of the District; and (3) shall state that the District will be given 45 days prior written notice of any cancellation, intended non-renewal or reduction in coverage.

The District, its elected and appointed officials, officers, employees, agents and volunteers shall be named as insureds on the Commercial General and Business Automobile Liability Insurance policies with regard to work and services performed by or on behalf of the Consultant and a copy of the endorsement naming these parties as insureds shall be attached to the Certificate of Insurance.

Before commencing work and services, Consultant shall provide to the District a Certificate of Insurance evidencing the insurance described above and shall also complete and provide to the District the insurance forms attached hereto as Exhibit C. The District reserves the right to request and receive a certified copy of all required insurance policies.

The above insurance limits do not constitute a limit on Consultant's liability to the District. Any payment of deductible or self-insurance retention shall be the sole responsibility of Consultant.

Consultant shall be solely responsible for the safety of its employees and subcontractors at the Project work site, and shall comply with all applicable federal, state and local statutes, regulations and ordinances regarding safety.

**Section 3. Vendor List Purchasing Process – RCW 57.08.050(3)
Purchasing Roster Process – RCW 57.08.050(4)
Purchase Contract Process – RCW 39.04.190, 200
District Resolution - 2011-03**

This Section can be used for the purchase of materials, equipment, supplies, or services when the cost of the purchase is between \$0 - \$50,000. It is recommended that this process be used when the estimated cost exceeds \$40,000. For purchases where the estimated cost is less than \$40,000, see Section 4: Small Purchases and Work.

The Vendor List Purchasing Process utilizes the Vendor List established by the District. RCW 57.08.050, RCW 39.04.190, and District Resolution 2011-03 provide authority for the District to utilize the Vendor List purchasing and contract process. The General Manager is responsible for maintenance of the approved Vendor List and list of contracts let under this process. The procedures for establishing and maintaining the Vendor List and maintenance of the contract list can be found in Appendix C. A copy of the Vendor List is also provided in Appendix C and will be updated annually. The List is updated when new vendors are determined to be qualified to addition to the roster. For the most current List, contact the General Manager.

The Purchasing Roster Process, authorized under RCW 57.08.050(4), utilizes pre-established purchasing rosters that have been established in accordance with the competitive bidding law (i.e. State Bid, WSCA, KCDA, etc.).

Examples:

Materials, Equipment, Supplies

Pumps

Pipes

Meters

Vehicles

Safety Equipment

Warehouse Stock

Office Furniture

***These example lists are not all inclusive.**

3.1 Procedure check sheet for purchases from approved Vendor List or Purchasing Roster:
\$0 - \$50,000

		Completed
STEP 1:	Determine purchasing need and document need including specifics on Written Quote Form (See Form in Appendix B).	<input type="checkbox"/>
1.1:	Note estimated scope and nature of the materials and/or equipment	
STEP 2:	Obtain purchase approval from the Board of Commissioners to initiate purchase.	<input type="checkbox"/>
STEP 3:	Obtain written quotes from at least three (3) vendors from the District's approved Vendor Roster.	
3.1:	Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form.	<input type="checkbox"/>
3.2:	Note the Purchasing Roster used on the Quote Form.	
3.3:	Complete form information from quotes and attach quotes to form.	
3.4:	If there are not 3 vendors available, fewer quotes are OK.	
STEP 4:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
4.1:	All bids can be rejected for good cause by the Board of Commissioners. If this happens, the process must be restarted.	
STEP 5:	Enter into contact. All contracts must be approved by the Board of Commissioners.	<input type="checkbox"/>
STEP 6:	Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 7:	Bid quotes are public record and must be open to public inspection and available to the public by telephone inquiry.	<input type="checkbox"/>
STEP 8:	Follow District procedures for payment for purchased item(s).	<input type="checkbox"/>

3.2 Regulatory Requirements – Vendor List or Purchasing Roster: \$0 - \$50,000

The Vendor List Purchasing Process may be used as an alternative to the competitive sealed bid process to award contracts for the purchase of any materials, equipment, supplies, or services and meeting the criteria in the Limits section below.

A. LIMITS

REQUIRED FOR:

Equipment/Supplies/Materials Estimated Cost >\$40,000 and <\$50,000

RECOMMENDED FOR:

Equipment/Supplies/Materials Estimated Cost >\$40,000 and <\$50,000

ALLOWED FOR:

Equipment/Supplies/Materials Estimated Cost <\$40,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds; and
5. Public works in the event of an emergency.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

a. REQUIREMENT REFERENCE CHART

Bid Format	Quotes: Written; Telephone may be used for purchases < \$5,000 From: Approved Vendor List (AWWD) or Approved Roster (i.e. State Bid, etc.)
Public Notice	Not Required
Bid Opening Format	N/A
Bid Recording	Required
Late Bids	Not allowed
Award Procedure	Lowest Responsible Bidder
Written Contract	Required
Small Works Process	N/A
Bid Bond	N/A
Performance Bond	N/A
5% Retainage	N/A
Maintenance Guaranty	Not Required (recommended when no warranty)

Prevailing Wage Affidavit	N/A
Intent to Pay Prevailing Wage	N/A

D. QUOTE PROCESS

a. INVITATION FOR QUOTES

Invitations for quotes shall contain, at a minimum, the following:

1. Estimate of the scope and nature of the materials and equipment.
2. Quotes shall be solicited, whenever possible, from at least three (3) vendors from the approved roster.

b. PUBLIC NOTICE

Not Required

c. QUOTE RECEIPT

Quotes may be received via written document. Telephone quotes, or quotes using other electronic means may be used for purchases < \$5,000).

d. QUOTE EVALUATION

The Contract shall be awarded to the lowest responsible bidder.

e. DECISION TO RE-BID OR CANCEL

The Board of Commissioners may reject all bids for good cause and re-advertise.

f. CONTRACT AWARD NOTICE

A contract awarded using this process does not need to be advertised.

g. DISCLOSING INFORMATION

Immediately after an award of a contract is made, the District's manager shall record the quotations obtained for the contract, and shall make the bid quotations open to public inspection and available to the public by telephone inquiry.

Section 4. Small Purchases and Work

This Section can be used for the purchase of any materials, equipment, supplies when the cost of the purchase (single item) is between \$0 - \$40,000; or for services when the cost of the work is between \$0 - \$35,000.

Examples:

Materials, Equipment, Supplies	Work ⁴
Pumps	Equipment Repair
Pipes	Concrete Work
Meters	Sewer TV Service
Safety Equipment	Printing
Warehouse Stock	Electrical
Personal Protective Equipment	Construction
Stationary	Mechanical
Office Supplies	Plumbing
Office Furniture	

***These example lists are not all inclusive.**

There are no statutory requirements regulating purchases under \$40,000 or projects under \$50,000⁵ with the exception of the Labor and Industries requirements for work performed (Prevailing Wage Law⁶) and bond and retainage requirements. Contracts are not required for purchases under \$40,000. The guidelines following are District developed guidelines and can be changed using the appropriate process for modification of procedures and guidelines.

Follow the steps in the sub-section below that meets the estimated purchase cost for a single item or project cost for work.

	Small Work Project	Small Purchases
Section 4.1	Estimated Cost: \$0 - \$2,500	Estimated Cost: \$0 - \$2,500
Section 4.2	Estimated Cost : \$2,501 - \$9,999	Estimated Cost : \$2,501 - \$9,999
Section 4.3	Estimated Cost: \$10,000 - \$34,999	Estimated Cost: \$10,000 - \$39,999

⁴ All work performed for the District must comply with the Prevailing Wage Law.

⁵ RCW 57.08.050 states that all work ordered, the estimated cost of which is in excess of \$50,000, shall be let by contract and competitive bidding, however the District has adopted the Small Works Roster Process for any public works projects in excess of \$35,000.

⁶ All work performed by contract, including maintenance work, must comply with the Prevailing Wage Law.

4.1 Procedure check sheet for small purchases and work: \$0 - \$2,500
 No contract is required for this size of purchase or project.

		Completed
STEP 1:	Determine purchasing need.	<input type="checkbox"/>
STEP 2:	Obtain purchase approval from the Board of Commissioners to initiate purchase. 3.2.a Note: Board of Commissioners must approve all purchases or work estimated to cost over \$500.	
STEP 3:	Is this a purchase of materials(s), equipment, or supplies(s); or for work to be done? WORK: ALL work performed by an outside contractor must comply with the Prevailing Wage requirements. When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor (verbally or in writing) that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
STEP 4:	Purchase Item or schedule work. No contract is required. WORK: Complete the top portion of the Combined Intent/Affidavit Form for Small Works under \$2,500 and give to the contractor. Alternatively, the contractor may provide a separate "Intent to Pay Prevailing Wages" form approved by L&I	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 6 Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. PURCHASE PROCEDURE COMPLETE	<input type="checkbox"/>
STEP 6:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>
STEP 7:	When job is finished, obtain the combined Intent/Affidavit form. Alternatively, if the contractor supplied a separate "Intent" form, obtain an "Affidavit of Wages Paid" that has been approved by the Department of Labor & Industries, Industrial Statistician.	<input type="checkbox"/>
STEP 8:	Follow District procedures for payment for work completed.	<input type="checkbox"/>



4.2 Procedure check sheet for small purchases and work: \$2,500 - \$9,999
 No contract is required for this size of purchase or project.

	Completed
STEP 1: Determine purchasing need and document need including specifics on Telephone Quote Form (See Form in Appendix B).	<input type="checkbox"/>
STEP 2: Obtain purchase approval from the Board of Commissioners.	<input type="checkbox"/>
STEP 3: Is this a purchase of materials(s), equipment, or supplies(s); or for work to be done? ALL work performed by an outside contractor must comply with the Prevailing Wage requirements.	<input type="checkbox"/>
STEP 4: Determine purchasing method. WORK: When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor (verbally or in writing) that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
Alternate 1: Is item to be purchased, or work to be done, available under a contract already established between the District and a specific vendor? If yes, continue following Alternate 1 steps. If no, skip to next alternate.	<input type="checkbox"/>
1.1: Note Contract Number on Telephone Quote Form.	<input type="checkbox"/>
1.2: Obtain verbal confirmation of purchase price or job cost and note confirmation information on Telephone Quote Form. Also note quoted purchase price on Form.	<input type="checkbox"/>
1.3: Obtain approval from Board of Commissioners to make purchase from this process.	<input type="checkbox"/>
Alternate 2: Is the item to be purchased, or work to be done, available from a Vendor/Contractor authorized under state contract? If yes, continue following Alternate 2 steps. If no, skip to next alternate.	<input type="checkbox"/>
2.1: Note State Contract Number on Telephone Quote Form.	<input type="checkbox"/>
2.2: Obtain verbal, written, or electronic (on-line pricing acceptable) confirmation of purchase price from authorized vendor/contractor under State Contract. Note quoted purchase price(s) on Form.	<input type="checkbox"/>
2.3: Obtain approval from Board of Commissioners to make purchase from this process. If more than one quote was obtained, make purchase recommendation.	<input type="checkbox"/>
Alternate 3: Is the item to be purchased, or work to be done, available from a Vendor on the District's approved vendor list or a contractor on the Small Works Roster? If yes, continue following Alternate 3 steps. If no, skip to next alternate.	<input type="checkbox"/>
3.1: Complete top portion of the Telephone Quote form.	<input type="checkbox"/>

3.2:	Obtain at least one verbal or written quote (multiple quotes, if possible) from vendors/contractors from the appropriate approved list. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Telephone Quote form. Complete form information from quotes.	<input type="checkbox"/>
3.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
3.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
Alternate 4:	If no Alternates above apply, make the purchase, or hire the work, using the following steps.	<input type="checkbox"/>
4.1:	Complete top portion of the Telephone Quote form.	<input type="checkbox"/>
4.2:	Obtain at least one verbal or written quote (multiple quotes, if possible) from vendors/contractors that supply the item(s) or perform work required. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Telephone Quote form. Complete form information from quotes.	<input type="checkbox"/>
4.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote. Give priority to local vendors whenever feasible.	<input type="checkbox"/>
4.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 7 Material(s), Equipment, Supplies Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 6:	Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. DONE	<input type="checkbox"/>
STEP 7:	Fill out the top section of the Combined Intent/Affidavit for Small Public Works (\$2,500 to \$35,000) form and give to the contractor. Alternatively, obtain a separate "Statement of Intent to Pay Prevailing Wages" that has been approved by the Department of Labor & Industries, Industrial Statistician. This should be provided by the Contractor and can also be found on the L&I Web Site.	<input type="checkbox"/>
STEP 8:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>
STEP 9:	When job is finished, obtain the Combined Intent/Affidavit form and the \$80 filing fee (made payable to the Dept. of Labor and Industries) from the contractor. Alternatively, obtain a separate "Affidavit of Wages Paid" that has been approved by the Department of Labor & Industries, Industrial Statistician.	<input type="checkbox"/>
STEP 10:	Follow District procedures for payment for work completed.	<input type="checkbox"/>

4.3 Procedure check sheet for small purchases \$10,000 - \$39,999; and work: \$10,000 - \$34,999

		Completed
STEP 1:	Determine purchasing need and document need including specifics on Written Quote Form (See Form in Appendix B).	<input type="checkbox"/>
STEP 2:	Obtain purchase approval from Board of Commissioners to initiate purchase.	<input type="checkbox"/>
STEP 3:	Is this a purchase of material(s), equipment, or supplies; or for work to be done? ALL work performed by an outside contractor must comply with the Prevailing Wage requirements.	<input type="checkbox"/>
STEP 4:	Determine purchasing method. WORK: When obtaining quotes/bids/confirmation of pricing for work to be performed, you must inform the Vendor/Contractor that this is a prevailing wage project as this may affect bid pricing.	<input type="checkbox"/>
Alternate 1:	Is item to be purchased, or work to be done, available under a contract already established between the District and a specific vendor? If yes, continue following Alternate 1 steps. If no, skip to next alternate.	<input type="checkbox"/>
1.1:	Note Contract Number on Written Quote Form.	<input type="checkbox"/>
1.2:	Obtain written confirmation of purchase price or job cost and attach confirmation information to Written Quote Form. Also note quoted purchase price on Form.	<input type="checkbox"/>
1.3:	Obtain approval from Board of Commissioners to make purchase from this process.	<input type="checkbox"/>
Alternate 2:	Is the item to be purchased, or work to be done, available from a Vendor/Contractor authorized under state contract? If yes, continue following Alternate 2 steps. If no, skip to next alternate.	<input type="checkbox"/>
2.1:	Note State Contract Number on Written Quote Form.	<input type="checkbox"/>
2.2:	Obtain written confirmation of purchase price from authorized vendor/contractor under State Contract. Attach to Written Quote Form and note quoted purchase price(s) on Form.	<input type="checkbox"/>
2.3:	Obtain approval from General Manager to make purchase from this process. If more than one quote was obtained, make purchase recommendation.	<input type="checkbox"/>

Alternate 3:	Is the item to be purchased, or work to be done, available from a Vendor on the District's approved vendor list or a contractor on the Small Works Roster? If yes, continue following Alternate 3 steps. If no, skip to next alternate.	<input type="checkbox"/>
3.1:	Complete top portion of the Written Quote form.	<input type="checkbox"/>
3.2:	Make every effort to obtain written quotes from a minimum of 3 vendors/contractors from the appropriate approved list. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes and attach quotes to form.	<input type="checkbox"/>
3.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote.	<input type="checkbox"/>
3.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
Alternate 4:	If no Alternates above apply, make the purchase, or hire the work, using the following steps.	<input type="checkbox"/>
4.1:	Complete top portion of the Written Quote form.	<input type="checkbox"/>
4.2:	Make every effort to obtain written quotes from a minimum of 3 vendors/contractors that supply the item(s) or perform work required. Quotes should contain, at a minimum, the information necessary to complete the Supplier information on the Written Quote form. Complete form information from quotes and attach quotes to form.	<input type="checkbox"/>
4.3:	Obtain approval from Board of Commissioners for purchase from the lowest responsible quote. Give priority to local vendors whenever feasible.	<input type="checkbox"/>
4.4:	Enter into contract, if required. If not required, skip this step. All contracts must be approved by the Board of Commissioners. When the contract is for work, the contract must contain prevailing wage language.	<input type="checkbox"/>
STEP 5:	WORK: Skip to Step 7 Material(s), Equipment, Supplies Make purchase from approved Vendor according to accepted terms.	<input type="checkbox"/>
STEP 6:	Follow District procedures for payment for purchased item(s) including processing of receipt, packing slip, etc. DONE	<input type="checkbox"/>
STEP 7:	Obtain a "Statement of Intent to Pay Prevailing Wages" that has been approved by the Department of Labor & Industries, Industrial Statistician. This should be provided by the Contractor and can also be found on the L&I Web Site.	<input type="checkbox"/>
STEP 8:	Hire selected contractor according to accepted terms.	<input type="checkbox"/>

STEP 9:	When job is finished, obtain an "Affidavit of Wages Paid" that has been approved by the Department of Labor & Industries, Industrial Statistician.	<input type="checkbox"/>
STEP 10:	Follow District procedures for payment for work completed.	<input type="checkbox"/>

4.4 Regulatory Requirements - Small Purchases \$0 - \$40,000 and Work; \$0 - \$35,000
 These guidelines can be used for the purchase of any materials, equipment, supplies, or services when the purchase meets the criteria in the Limits section below.

A. LIMITS

REQUIRED FOR:

Public Work	Estimated Cost	<\$35,000
Equipment/Supplies/Materials	Estimated Cost	<\$40,000

B. EXCEPTIONS

Competitive bidding requirements, per RCW 39.04.280, may be waived for:

1. Purchases that are clearly and legitimately limited to a single source of supply;
2. Purchases involving special facilities or market conditions;
3. Purchases in the event of an emergency;
4. Purchases of insurance or bonds; and
5. Public works in the event of an emergency.

See Section 7 for additional information on Exceptions.

C. STATUTORY REQUIREMENTS

There are no statutory requirements regulating purchases under \$40,000 or projects under \$35,000⁷ with the exception of the Labor and Industries requirements for work performed (Prevailing Wage Law⁸). Contracts are not required for purchases under \$40,000.

a. REQUIREMENT REFERENCE CHART

	\$0-\$2,500 Section 4.1, 4.4E	\$2,501-\$9,999 Section 4.2, 4.4F	Work \$10,000-\$34,999 Purchases \$10,000-\$39,000 Section 4.3, 4.4G
Bid Format	Not Required	Phone Quotes	Written Quotes
Public Notice		N/A	
Bid Opening Format		N/A	
Bid Recording		N/A	
Late Bids		N/A	
Award Procedure		N/A	
Written Contract		Allowed	
Small Works Process		Allowed	
Bid Bond		Allowed	
Performance Bond		Optional	
5% Retainage		Optional	

⁷ RCW 57.08.050 states that all work ordered, the estimated cost of which is in excess of \$50,000, shall be let by contract and competitive bidding, however the District has adopted the Small Works Roster Process for any public works projects in excess of \$35,000

⁸ All work performed by contract, including maintenance work, must comply with the Prevailing Wage Law.

Maintenance Guaranty	N/A
Prevailing Wage Affidavit	Required for Work ⁹
Intent to Pay Prevailing Wage	Required for Work ¹⁰

D. QUOTE PROCESS

a. INVITATION FOR QUOTES

Invitations for quotes shall contain, at a minimum, the following:

1. Estimate of the scope and nature of the materials and equipment.
2. Quotes shall be solicited, whenever possible, from at least three (3) vendors.

b. PUBLIC NOTICE

Not Required

c. QUOTE RECEIPT

Quotes may be received via written document including electronic document or telephone based on requirements in table in section 5.3(a).

d. QUOTE EVALUATION

The purchase or agreement shall be awarded to the lowest responsible bidder. Quote amounts should include taxes, shipping, and handling.

e. DISCLOSING INFORMATION

No specific disclosure of purchases under this section is required.

E. PURCHASES OR WORK: \$0 - \$2,500

For single individual items <\$2,000, including taxes.

a. PURCHASES

Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval if required.
3. Purchase item.
 - i. Check to see if purchase of item(s) is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.
 - ii. Check to see if purchase of item(s) is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.
 - iii. Check to see if purchase of item(s) is available from a Vendor on the District's approved vendor list. If yes, make the purchase from the approved vendor.

⁹ For contracts under \$10,000, the Intent and Affidavit may be combined and sent to Department of Labor & Industries after contract completion.

¹⁰ See Footnote 9 above.

- iv. If no options above are available, purchase item from vendor that supplies needed item. Give priority to local vendors when feasible.
4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is “Public Work” or “Ordinary Maintenance”.

Work that is classified as “Ordinary Maintenance” is an exception to the statutory definition of “Public Work” (RCW 39.04.010). For work to be classified as “Ordinary Maintenance”, it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹¹

It is possible for work to be performed that is not classified as “Public Work” but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

F. PURCHASES OR WORK: \$2,501 - \$9,999

For single individual items \$2,500 - \$4,999, including taxes.

a. PURCHASES

Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval from appropriate Supervisor.
3. Purchase item.

- i. Check to see if the item(s) to be purchased is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.
- ii. Check to see if the item(s) to be purchased is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.
- iii. Check to see if the item(s) to be purchased is available from a Vendor on the District’s approved vendor list. If yes, make the purchase from the approved vendor using following process.
 1. Obtain at least one telephone quote (multiple quotes, if possible) from vendors from the approved Vendor list.
 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 3. Make purchase from approved vendor.

¹¹ See WAC 296-127-010(7)(b)(iii) for the definition of “Ordinary Maintenance” in the context of prevailing wages.

- iv. If no options above are available, purchase item from vendor that supplies needed item.
 1. Obtain at least one telephone quote (multiple quotes, if possible) from vendors that supply the item required.
 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 3. Give priority to local vendors when feasible.
 4. Make purchase from approved vendor.
4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is “Public Work” or “Ordinary Maintenance”.

Work that is classified as “Ordinary Maintenance” is an exception to the statutory definition of “Public Work” (RCW 39.04.010). For work to be classified as “Ordinary Maintenance”, it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹²

It is possible for work to be performed that is not classified as “Public Work” but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

G. PURCHASES \$10,000 - \$39,999 OR WORK: \$10,000 - \$34,999

For the purchase of single individual items, or lots of like items, \$10,000- \$39,999, including taxes or a work project \$10,000 - \$34,000. Every attempt should be made to ensure that these items are included in the District’s annual budget.

a. PURCHASES

Make your purchasing decision using the following process.

1. Determine your purchase need.
2. Obtain purchase approval from Board of Commissioners.
3. Purchase item.
 - i. Check to see if the item(s) to be purchased is allowed under a contract between the District and a specific Vendor. If yes, make the purchase under this contract.
 - ii. Check to see if the item(s) to be purchased is available from a Vendor authorized under a State Contract. If yes, make the purchase from the State Contract Vendor.

¹² See WAC 296-127-010(7)(b)(iii) for the definition of “Ordinary Maintenance” in the context of prevailing wages.

- iii. Check to see if the item(s) to be purchased is available from a Vendor on the District's approved vendor list. If yes, make the purchase from the approved vendor using following process.
 - 1. Obtain written quotes from a minimum of 3 vendors from the approved Vendor list.
 - 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 - 3. Make purchase from approved vendor.
- iv. If no options above are available, purchase item from vendor that supplies needed item.
 - 1. Obtain written quotes from a minimum of 3 vendors that supply the item required.
 - 2. Obtain approval of Selected Vendor from Board of Commissioners. Approved vendor should be the Vendor that provides the lowest responsible quote.
 - 3. Give priority to local vendors when feasible.
 - 4. Make purchase from approved vendor.
- 4. Process receipt, packing slip, etc. in accordance with District requirements.

b. WORK

Define the work needed to be done and determine if it is "Public Work" or "Ordinary Maintenance".

Work that is classified as "Ordinary Maintenance" is an exception to the statutory definition of "Public Work" (RCW 39.04.010). For work to be classified as "Ordinary Maintenance", it must be work that is performed on a regularly scheduled basis (not less frequently than once per year) and not performed by contract -- OR -- Work that is performed by contract that is not regularly scheduled but is required to maintain the asset so that a repair does not become necessary.¹³

It is possible for work to be performed that is not classified as "Public Work" but requires prevailing wages to be paid. It is the responsibility of the staff hiring for the work to be performed to ensure compliance with the prevailing wage laws.

¹³ See WAC 296-127-010(7)(b)(iii) for the definition of "Ordinary Maintenance" in the context of prevailing wages.